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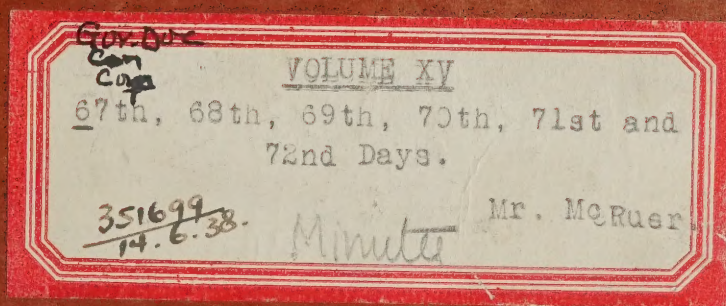
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ROYAL COMMISSION ON THE  
TEXTILE INDUSTRY

HON. MR. JUSTICE W. F. A. TURGEON  
Commissioner



A. S. Whiteley, Secretary



ROBERT BRYDIE  
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Note: The name "Haywood" appearing at the top of pages 9310 to 9319, and pages 9330 to 9338 should be "Woodward."

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September 9th, 1936,  
read to Commissioner  
October 20th, 1936.)

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CHARTERED BY THE BOARD OF DIRECTORS  
OF THE COMPANY

1. The Board of Directors of the Company has resolved that the following persons be appointed to the position of Directors of the Company for the term of years hereinafter specified:

1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	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## II

ROYAL COMMISSION ON THE TEXTILE INDUSTRYINDEX OF EXHIBITS

	<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
5	690	Sales, net profits and yard sales compared seven years ended August 1935.	9354
	691	Grout's Limited, Sales Net Profits and Yard Sales compared two years ended August, 1935,	9355
10	692	Grout's Limited, Statement showing sales, net profits in dollars and the percentage 1926 to 1935.	9358
	693	Grout's Limited Statement of Administration and office salaries and bonuses as percentage of sales.	9360
15	694	Grout's Limited, statement of Manufacturing wages as percentage of sales.	9364
	695	Grout's Limited, statement of manufacturing wages compared with sales less raw material costs.	9365
20	696	Grout's Limited, statement showing sales, wages in money and percentage of sales, administration and office salaries and bonuses in money and in percentage, net profits in money and in percentage,	9367
25	697	Grout's Limited, statement of average wages of mill workers under one thousand dollars and actual loom hours per year.	9367
30	698	Average hourly rates for adult males, youths and boys, adult females and girls under 18 years,	9425



[illegible]



## III

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699	Distribution of Male Mill employees by hourly earnings, 1936.	9425
700	Statements covering dis- tribution of male and female employees according to earnings in pay period;	9429
701	Statement of average hourly rates, Valleyfield Silk Mills, 1934 and 1936.	9432
702	File of Silk Associations of Canada, control of production, 1932-1933.	9456
703	Letter dated March 12, 1934, from Douglas Hallam to P.R. Watson.	9475
704	Letter dated Oct. 1, 1930 from Hallam to P.R. Watson with attached copy of article for Daily News Record and American Silk Journal.	9482

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will employees of County  
District of Sale  
September, 1958.

660

70 1075.00, 805430 10

SI 19756, 305 AD 2-759.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRYINDEX OF EXHIBITS

	<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
5	705	Balance sheet of Penman Manufacturing Co., Ltd. as of 31 December 1905.	9575
10	706	Balance sheet of Penmans Limited as of 31st December 1907.	9579
15	710	George Smith & Co. Ltd. Statement of Income & Expenses for 1906	9581
	711	George Smith & Co. Ltd. Statement of Income & Expenses for 1907	9582
	712	George Smith & Co. Ltd. Statement of Income & Expenses for 1908	9583
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	716	George Smith & Co. Ltd. Statement of Income & Expenses for 1912	9587
20	717	George Smith & Co. Ltd. Statement of Income & Expenses for 1913	9588
	718	George Smith & Co. Ltd. Statement of Income & Expenses for 1914	9589
	719	George Smith & Co. Ltd. Statement of Income & Expenses for 1915	9590
25	720	George Smith & Co. Ltd. Statement of Income & Expenses for 1916	9591
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	723	George Smith & Co. Ltd. Statement of Income & Expenses for 1919	9594
30	724	George Smith & Co. Ltd. Statement of Income & Expenses for 1920	9595

STATE OF NEW YORK

IN SENATE

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1898

1899

Report of the  
Commissioner of the  
Department of  
Education

1897

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Report of the  
Commissioner of the  
Department of  
Education

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## II

ROYAL COMMISSION ON THE TEXTILE INDUSTRYINDEX OF EXHIBITS

	<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>	<u>PAGE.</u>
5	707	Letter dated Feb. 18, 1933, from Penman's Ltd. to the Silk Association of Canada.	9714
	708	Letter from Hallam to Lundy dated Dec. 19, 1935.	9721
	709	Circular letter dated April 24, 1933 from Hallam to Gunn of Penmans Limited.	9724
10	710	Letter dated May 4, 1933 from Hallam to Gunn of Penman's.	9727
	711	Letter dated June 19, 1933 to Lundy from Hallam.	9728
15	712	Letter dated 8th Aug. 1933, from Penmans to Douglas Hallam,	9730
	713	Letter from Hallam to Lundy dated Jan. 29, 1934.	9732
	714	Two telegrams dated Apr. 25, 1934 from Hallam to Lundy,	9734
20	715	Letter dated August 20, 1934 from Hallam to Lundy,	9736
	716	Letter from Hallam to Lundy dated De. 15, 1934.	9738
	717	Letter dated Dec. 21, 1934, from Hallam to Lundy,	9739
25	718	Letter from Hallam to Lundy dated Dec. 27, 1934,	9740
	719	Letter from Hallam to Lundy dated Dec. 29, 1934,	9741
	720	Letter dated April 21, 1936 from Mr. Berry to Mr. Lundy,	9743
30	721	Copy of a letter from Mr. Lundy to Mr. Hallam dated the 16th January 1936.	9751

Letter dated Feb. 18, 1933,  
 from [unclear] to [unclear]  
 with [unclear] of [unclear].

Letter from [unclear] to [unclear]  
 dated [unclear].

Circular letter dated [unclear]  
 dated [unclear] from [unclear] to [unclear] of [unclear].

Letter dated [unclear] 4, 1934,  
 from [unclear] to [unclear] of [unclear].

Letter dated June 19, 1934,  
 to [unclear] from [unclear].

Letter dated [unclear] 1934,  
 from [unclear] to [unclear] of [unclear].

Letter from [unclear] to [unclear]  
 dated [unclear].

Two letters dated [unclear] 1934,  
 from [unclear] to [unclear].

Letter dated [unclear] 1934,  
 from [unclear] to [unclear].

Letter from [unclear] to [unclear]  
 dated Dec. 13, 1934.

Letter dated Dec. 21, 1934,  
 from [unclear] to [unclear].

Letter from [unclear] to [unclear]  
 dated [unclear].

Letter from [unclear] to [unclear]  
 dated [unclear].

Letter dated April 11, 1935,  
 from Mr. Gery to Mr. [unclear].

Copy of a letter from Mr. [unclear]  
 dated [unclear] to [unclear].

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723	Copy of letter dated Oct. 18, 1936, from Penmans Ltd. to Messrs Thorne, Mulholland, Howson and McPherson.	9764
724	Statement of piece work rates for standard operations.	9775
725	Statement compiled from Form K.28.	9778
726	Statement of number of employees up to and in- cluding \$1,000 a year and over \$1,000 a year with amount of wages per year and average wage per year.	9792
727	Statement prepared by Penman's Ltd. covering comparison years 1926, 1930 and 1936, cost of living index to wages.	9799
728	Statement showing comparison between wages and sales for the years 1926, 1930 and 1935, dated Oct. 15, 1936.	9800

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REPORT OF THE COMMISSIONER

Letter dated June 7, 1943 from Mr. Miller to Mr. L. J. Lundy,	1
Copy of letter dated Oct. 10, 1943, from Lundy to Mr. L. J. Lundy,	2
Statement of piece work rates for standard operations.	3
Statement of number of employees up to and including \$1,000 a year and over \$1,000 a year with amount of wages paid in and by same date.	4
Statement prepared by Lundy's 1943, 1944 and 1945, 1946 and 1947, 1948 and 1949, 1950 and 1951 cost of living index to	5
Statement showing comparison between 1943 and 1944 and 1945, 1946 and 1947, 1948 and 1949, 1950 and 1951, 1952, dated Oct. 10, 1952.	6



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ROYAL COMMISSION ON THE TEXTILE INDUSTRYINDEX OF EXHIBITSEXHIBIT NO.DESCRIPTIONPAGE NO.

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Copy of evidence of Mr.  
Johnson of Courtaulds  
Limited, taken on  
September 9, 1936.

9889

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730

Stenographer's Report of  
negotiations between  
workers and employers,  
August 26, to Sept. 9,  
1936.

9890

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STATEMENT OF SALES

IN CANADA, FROM

JUNE 1953 TO

10000

Statement of sales  
 in Canada, from  
 June 1953 to

100

5

10000

Statement of sales  
 to leaving customers,  
 1953-1955.

738

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10000

Copy of letter from  
 M. Bennett to  
 M. J. Bennett,  
 Minister of National  
 Defence, Ottawa, Ont.,  
 10, 1950.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

5

A.S. Whiteley, Secretary,

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SIXTY - SEVENTH DAY

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(October 13th, 1936)

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Robert Brydie,  
Official Reporter.

0-0-1515-10

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

5

A.S. Whiteley, Secretary,

A p p e a r a n c e s:

10

J.C. McRuer, K.C., and )  
E. Beauregard, K.C. ) Commission Counsel.J.P. Lanctot, K.C., ) For Special Committee  
and ) on Primary Textile  
R.L. Kellock, K.C., ) Industries.

15

C.G. Heward, K.C., ) For Dominion Textile  
Aime Geoffrion, K.C. ) Company.  
and )  
C.T. Ballantyne, )

S.G. Dixon, K.C. For Courtaulds, Limited.

L.A. Forsyth, K.C. For Canadian Celanese Ltd.  
and Canadian Silk Pro-  
ducts Limited.

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THE CANADIAN COLONIAL BANK

HON. MR. J. A. TUCKER, M.P.

Commissioner.

REPORT OF THE

COMMISSIONER

J. C. ROBERT, M.P., and

J. ROBERTSON, M.P.

J. J. LAMONT, M.P., and

J. ROBERTSON, M.P.

J. J. LAMONT, M.P., and

J. ROBERTSON, M.P.

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J. ROBERTSON, M.P.

J. J. LAMONT, M.P., and

J. ROBERTSON, M.P.



St. Catharines, Ontario  
October 13, 1936.

-- The Commission resumed at 2.15 P.M. --

5

THE COMMISSIONER: Are you ready, Mr. McRuer?

MR. McRUER: I will call Mr. Watson.

10

PIERCE R. WATSON, Recalled,

EXAMINED BY MR. McRUER:

Q. Mr. Watson, what office do you occupy with  
Grout's Limited? A. I am managing director.

15

Q. And Grout's Limited has been incorporated for  
how long? A. Since 1924, if I remember correctly,  
sir.

Q. Have you been connected with it since 1924?  
A. Yes, sir, from the inception.

20

Q. You have been connected with it from its incep-  
tion? A. Mr. Woodward and I have been with the  
company since its inception.

Q. And Mr. Woodward is? A. Secretary-  
Treasurer, sir.

25

Q. He is C.F. Woodward? A. Correct, sir.

Q. Was there any business carried on in St. Cathar-  
ines before Grout's Limited was incorporated?

30

A. Mr. Farrell, our President, who is in England  
except for one yearly trip out here had, I believe,  
rented a building and made certain arrangements before

100, Queen Street, Toronto  
October 10, 1930

Dear Sir:

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The enclosed letter from Mr. J. H. ...

... has been received.

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the Company was incorporated on one of his periodic trips out here. You understand, of course, that they sold goods out here for some years, - that is the English company.

5

Q. What is the name of the English Company?

A. Grout & Company.

Q. Grout & Company?

A. Yes, Grout and Company.

10

Q. And Mr. F.J. Farrell, the President of Grout's Limited, of St. Catharines, is the gentleman you refer to? A. That is right, managing director of the English company. I believe that is his title, sir, but I would not be too sure of that.

15

Q. And you say he had come out to Canada and started business in St. Catharines in some small way, prior to the incorporation of Grout's Limited?

A. That is right.

Q. Were they manufacturing at all here?

20

A. No.

Q. He had just rented a building?

A. Yes,

he had just rented a building and made some preliminary arrangements.

25

Q. Had he installed some machinery?

A. No, sir.

Q. I see. So that the enterprise here then was started up as a sort of subsidiary of the English Company? A. The English company hold the majority of the common stock of Grout's Limited.

30

Q. And the common stock is the stock with the voting rights, is it not? A. I think I am afraid

12 Jan

the Company was incorporated on one of his periodic  
trips out here. You understand, of course, that  
they sold goods out here for some years, - that is

Q. What is the name of the English Company?

A. Groat & Co. Ltd.

Q. Groat & Co. Ltd. A. Yes, Groat and Company.

Q. And Mr. F. J. Farrell, the President of Groat's

Limited, of St. Catharines, is the gentleman you refer

to? A. That is right, managing director of the

English company. I believe that is his title, sir,

but I would not be too sure of that.

Q. And you say he had come out to Canada and started

on business in St. Catharines in some small way,

prior to the incorporation of Groat's Limited?

A. That is right.

Q. Were they manufacturing at all then?

A. No.

Q. He had just rented a building?

A. Yes, he had just rented a building and made some preliminary

Q. Had he installed some machinery? A. No, sir.

Q. I see. So that the enterprise here then

A. The English company hold the

equity in the common stock of Groat's Limited.

Q. I think I am afraid

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I will get rather involved. I believe the preferred stock have voting rights if they are in arrears.

Q. If the dividend is in arrears? A. That is right.

5 Q. But the common stock, ordinarily, is the controlling stock of the company? A. I think that is right.

Q. And the English company has the controlling stock of the Company? A. Yes, I think that is right.

10 Q. Now, the capitalization of the Canadian company at the present time appears to consist of 20,000 shares of no par value?

THE COMMISSIONER: How many, Mr. McRuer.

15 THE WITNESS: That is Valleyfield stock, is it not?

BY MR. McRUER: Q. I beg your pardon, I have the wrong one; I thought that did not look right. The capital appears to consist of 36,000 common shares of \$25.00 each, making \$900,000; and, 1,000 preferred shares of \$100 each? A. I think that 36,000 is authorized, is it not? It is not all issued.

20 Q. You are quite right, that is the authorized capital.

25 THE COMMISSIONER: How much preferred?

MR. McRUER: 1,000 shares of \$100.00 each.

Q. That is a total authorized capital of \$1,000,000.

A. I think that is so, sir.

30 Q. Yes, according to your last annual statement at any rate. Now, issued capital - common shares -

I will not rather involved. I believe the shareholders have voting rights if they are in arrears. If the dividend is in arrears?

... the common stock, originally, is the controlling stock of the company? I think that is right.

... and the English company has the controlling stock of the company? Yes, I think that is right.

... how, the capitalization of the corporation company at the present time appears to consist of \$2,000,000 shares of no par value.

... the company: No, sir, not at all.

... the company: That is a very different question, is it not?

... Mr. Brydies: I beg your pardon, I have not

... wrong me; I thought that did not look right. The

... capital appears to consist of \$2,000,000 common shares of

... \$20.00 each, making \$40,000,000; and, I, 1,000 preferred

... shares of \$100 each? I think that \$20,000,000 is

... \$20,000,000, is it not?

... You are quite right, that is the authorized

... capital.

... The Company: How much preferred?

... Mr. Brydies: 1,000 shares of \$100.00 each.

... That is a total authorized capital of \$20,000,000.

... I think that is correct, is it not?

... I think that is correct, is it not?

... I think that is correct, is it not?



17,530, of \$25.00 each, making \$438,250.

THE COMMISSIONER: How much, \$438,000?

MR. McRUER: \$438,250, my lord; and, preferred stock,  
1,000 shares of \$100.00 each, making \$100,000. Or  
a total of \$538,250.

Q. Now, can you tell me, Mr. Watson, the amount  
of this stock that is held by the English Company?

A. I cannot, sir, but I believe Mr. Woodward could tell  
you.

Q. I wonder if he would get that now, so that we  
will have it in its proper place in the record?

I thought it was in your return to Mr. Howson, but I  
do not see it; there was a record asked for - the  
list of shareholders out of Canada? A. There are  
some individual shareholders out of Canada too, sir.

Q. I know, but it is the English company that should  
be on that list. Have you got that?

MR. WOODWARD: Page 2 of the questionnaire.

MR. McRUER: Oh yes, of Grout & Company.

Q. Grout & Company, Limited, hold 68 preferred  
shares and 11,471 common shares? A. I cannot tell  
you whether that is so or not.

Q. According to the Questionnaire. A. I would  
say the Questionnaire was right, sir.

Q. Yes. And of the number of shares held outside  
of Canada, 12,543 of the common shares, you say there  
are some individual shares outside of Canada?

A. A few individual English shares.

17,500, of 100.00 each, making \$438,250.  
The total amount of the loan, \$438,250.  
Mr. Wood: \$100,000, my friend, and, therefore, the  
100 shares of 100.00 each, making \$100,000. On  
a total of \$538,250.  
A. Yes, and you told me, Mr. Wood, the amount  
of this stock was in fact of the English to carry  
... I cannot, sir, but I believe Mr. Woodward could do  
you.  
I wonder if he would get that now, as that we  
will have it in its proper place in the records?  
I thought it was in your return to Mr. Wood, but I  
do not see it: there was a record asked for - the  
list of shareholders and of amounts?  
The following shareholders were in the list, sir:  
... I say, and it is the list of shareholders and  
be on that list. Have you got it?  
Mr. Wood: Page 2 of the questionnaire.  
Mr. Wood: On page 2 of Great & Company.  
A. Great & Company, Limited, hold 68 preferred  
shares and 11,548 common shares? A. I cannot tell  
you whether that is so or not.  
A. According to the questionnaire, A. I would  
say the questionnaire was right, sir.  
A. Yes. And of the number of shares held outside  
of Canada, 11,548 of the common shares, you say there  
... shares outside of Canada?  
A. For individual English shares.

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Q. Yes. Now, has there been any change in the capitalization of the Company since it was incorporated originally? A. I don't believe so, sir, but Mr. Woodward can probably answer that.

5 Q. Well, would it be that Mr. Woodward can answer all these questions better than you? A. I believe he could, sir.

Q. Because I want to ask Mr. Woodward in the Witness box on this aspect of it?

10 A. Well, I believe he could, sir.

THE COMMISSIONER: Mr. McRuer, to save time it might be better to call Mr. Woodward now. Just step down, Mr. Watson, please.

15 -- Witness stood down.

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... the ...

... of the Company since it was incorporated

... I don't believe so, sir, but

... can probably answer that.

... would it be that Mr. Woodward can answer

... all these questions better than you?

... could, sir.

... I want to ask Mr. Woodward in the

... on this aspect of it?

... I believe so, sir.

... I want to ask Mr. Woodward, to have it

... (Mr. Woodward) ...

... Mr. Woodward, ...

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CYRIL F. WOODWARD, sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Woodward, you are connected with  
Grout's Limited?

A. I am.

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Q. In what capacity? A. Secretary-treasurer.

Q. How long have you been secretary-treasurer?

A. Since the inception of the company in 1924.

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Q. I have dealt with Mr. Watson in reference  
to the capital structure of the company as it is  
at the present time. Have there been any changes in  
the capital structure of the company since its incor-  
poration?

A. None whatever.

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Q. The annual statement as of the 27th of  
June, 1925 shows that the common stock allotted and  
issued at that time was 9,376 shares; apparently  
there has been some issue of common stock since the  
27th of June, 1925?

A. There have been a  
number of changes in the capital issued but no changes  
in the structure of the capital.

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Q. Have there been several issues of stock  
since that time?

A. There has been one main  
issue and in addition to that some miscellaneous  
issues.

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Q. What was the main issue? A. I am  
sorry, I cannot tell you the dates; it was somewhere  
in the 1927-1928 period, I believe, and we offered  
common shares to the existing shareholders in the  
proportion of one to seven of their present holding --  
their holding at that time.

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Q. There apparently were 2,083 common shares

WILLIAM T. WOODWARD, Esq.

EXAMINED BY MR. MONTGOMERY

Q. Mr. Woodward, you are connected with

A. I am.

Q. In what capacity?

A. Secretary-Treasurer.

Q. How long have you been secretary-treasurer?

A. Since the incorporation of the company in 1904.

Q. I have dealt with Mr. [redacted] in reference

to the capital structure of the company as it is

at the present time. Have there been any changes in

the capital structure of the company since the incor-

poration?

A. None whatever.

Q. The annual statement as of the 31st of

June, 1905, shows that the common stock allotted and

issued at that time was 2,575 shares; apparently

there has been some issue of common stock since the

31st of June, 1905?

A. There have been a

number of changes in the capital issued but no changes

in the structure of the capital.

Q. Have there been several issues of stock

since that time?

A. There has been one main

issue and in addition to that some miscellaneous

issues.

Q. What was the main issue?

A. I cannot tell you the date; it was somewhere

in the 1905-1906 period, I believe, and we offered

a share to the existing shareholders in the

proportion of one to seven of their present holding --

in the 1905-1906 period.

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sold; that was in 1929, I see the memorandum here now.

A. That is probably it.

Q. 1929, that brought a premium of \$20,830?

A. \$10 per share; they were sold at \$35.

Q. They were sold at \$35?

A. Yes.

Q. And the par value was \$25?

A. That is

correct.

Q. Now, when the company was incorporated in 1923 the common shares issued appear to have been 9,376 shares?

A. I believe there were no shares issued in 1923 at all.

Q. None in 1923?

A. We didn't actually.

BY THE COMMISSIONER: Q. in 1923? I thought the company was organized in 1924?

A. The incorporation took place in 1923 and the organization commenced in February, 1924 when Mr. Watson and I arrived in Canada.

Q. The incorporation was in 1923?

A. Yes,

November, I believe; I haven't that date -- yes, November 7, 1923.

BY MR. McRUER: Q. Were there any shares issued for other than cash consideration?

A. \$75,000, 3,000 common shares at \$25 par value each.

Q. So that of the 9,376 common shares that were outstanding in June, 1925, 3,000 were issued for other than cash?

A. That is correct as far as the three thousand shares is concerned. I cannot vouch for the other figure you mentioned.

Q. Would those be issued -- I asked you if there were any shares issued for other than cash and you have

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said three thousand shares? A. That is correct.

Q. Now, what was the balance issued for?

A. Cash.

Q. For cash? A. Yes.

Q. All cash? A. Yes.

THE COMMISSIONER: The point is that Mr. Woodward is not sure of the other figure, the nine thousand --

BY MR. McRUER: Q. I am reading from your annual statement as of the 27th of June, 1925? A. If it comes from that statement it is undoubtedly correct.

Q. What was the 3,000 shares, block of shares issued for? A. It was issued partly in consideration of the goodwill of the Canadian market. As Mr. Watson has explained the English company had been doing business here and had a number of customers, and partly in consideration for the arrangements that Mr. Farrell, the managing director of the English company had made for contracts and in regard to liens on property and so on, which was turned over to the Canadian company when it was incorporated and also for a contract for the supply of service and information by the parent company by which we could take advantage of their experience.

Q. Well then, the company commenced its business apparently in 1924? A. That is correct.

Q. And by the year 1929 it was apparently able to sell its common shares at \$10 a share premium?

A. That is correct.

Q. And were all the common shares that were offered to the shareholders in 1929 taken up?

Q. Now, what was the balance sheet for?

A. 1934.

Q. For 1934?

A. Yes.

THE COMMISSIONER: The point is that Mr. Rogers

is not one of the other figures, the nine thousand --

BY MR. HODGINS: I am reading from your statement

statement as of the 27th of June, 1934. A. It is

comes from that statement it is undoubtedly correct.

Q. That was the 2,000 shares, 2,000 of

shares issued then? A. It was issued early

in consideration of the goodwill of the Canadian company

as Mr. Rogers has explained the English company had

been doing business here and had a number of customers

and partly in consideration for the arrangement in

that Mr. Rogers, the managing director of the English

company had made for contracts and in regard to figures

on property and so on, which was turned over to the

Canadian company when it was incorporated and also

for a contract for the supply of services and in the

matter by the parent company by which we could take

advantage of local conditions.

Q. Well then, the company commenced its

business apparently in 1934? A. That is correct.

Q. And by the year 1939 it was apparently

able to sell the shares at \$10 a share, which

is that correct?

Q. And that was the amount which was paid

for the shares?

Q. Yes, that was the amount which was paid



A. No, they were not.

Q. They were not all taken up? A. No.

Q. At the \$10 a share premium? A. No.

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Q. How many were taken up of that issue, do you know?

A. I am afraid I cannot answer that question. It can be easily ascertained. It could be calculated from the amount of that premium that you mentioned a while ago, Mr. McRuer.

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Q. It says here premium on 2083 shares; that would probably be/x block? A. Undoubtedly.

Q. Common shares sold in 1929, \$29,830.

Then, Grout's Limited went into business in the Province of Quebec, did it not? A. You mean it did business in the Province of Quebec.

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Q. No, you started up the Valleyfield Silk Mills down there? A. We acquired an interest in a mill down there in Valleyfield.

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Q. Was the Valleyfield Silk Mills Limited an operating company before Grout's Limited became interested in it? A. No, it was not. The Valleyfield Silk Mills, Limited was not. It was previously the Brubacher Silk Mills which went into bankruptcy. Before you pass on to Valleyfield I wonder whether I might correct a previous statement?

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Q. Yes? A. With regard to Grout's, the voting power of the common and the preference is one share each, one vote for each share regardless of whether the preference is in arrears or not.

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Q. Well, the English company would still control the voting power? A. The English company





does definitely control the voting power.

BY THE COMMISSIONER: Q. I understand both classes of shareholders have equal voting rights?

A. With the exception the shares are \$100 in one case and \$25 in the other.

BY MR. McRUER: Q. It is one vote per share?

A. That is correct.

BY THE COMMISSIONER: Q. So that the holder of one preferred share has only one vote and the holder of four common shares has four votes?

A. That is correct.

BY MR. McRUER: Q. You say that the Valleyfield Silk Mills business there had been carried on by the Brubacher Silk Mills, Limited? A. Brubacher Silk Mills Limited.

Q. And it had gone into liquidation?

A. That is correct.

Q. And how much did Grout's Limited pay for the Valleyfield Silk Mills? A. I am afraid the question cannot be answered in that simple way. Grout's Limited paid approximately \$100,000 for liens on certain machinery which they turned into the new company for 51% of the stock. The bondholders who owned the balance of the assets turned in the balance for 49% of the stock.

Q. Probably we better first take the capitalization of the Valleyfield Silk Mills and then you can probably tell me how it was disbursed?

A. Quite.

Q. The Valleyfield Silk Mills seems to have

does definitely control the voting power.

BY THE COMMISSIONER: Q. I understand both

classes of shareholders have equal voting rights?

A. With the exception the shares are \$100 in one case

and \$25 in the other.

BY MR. MEYER: Q. It is one vote per share?

A. That is correct.

BY THE COMMISSIONER: Q. So that the holder

of one preferred share has only one vote and the

holder of four common shares has four votes?

A. That is correct.

BY MR. MEYER: Q. You say that the Valley-

field Silk Mills business there had been carried on

by the predecessor Silk Mills, Limited?

Silk Mills Limited.

Q. And it had gone into liquidation?

A. That is correct.

Q. And how much did Grant's Limited pay for

the Valleyfield Silk Mills?

A. I am afraid

the question cannot be answered in that simple way.

Grant's Limited paid approximately \$100,000 for items

on certain machinery which they turned into the new

company for 51% of the stock. The bondholders who

owned the balance of the assets turned in the balance

for 49% of the stock.

Q. Probably we better first take the capital-

ization of the Valleyfield Silk Mills and then you

can probably tell me how it was distributed?

A. Quite.



a capital of 20,000 shares of no par value?

A. That is correct.

Q. And it is entered in the balance sheet of the 1st of September, 1934 at \$300,000?

5 A. \$300,000 capital and \$175,000 distributable surplus.

Q. Yes, I just wanted to get you to explain that, if you can. Apparently the 20,000 shares no par value constitutes the total capitalization of the company?

A. That is correct.

10 Q. Now, these shares were issued to acquire assets of the Valleyfield Silk Mills; is that right?

A. Acquire assets previously owned by the Brubacher Silk Mills.

15 Q. Now, were these shares issued to Grout's Limited?

A. No, 51% of them were.

Q. 51% of the 20,000 were issued to Grout's Limited?

A. That is correct.

20 BY THE COMMISSIONER: Q. Does that mean Grout's had acquired the old property?

A. They had

acquired liens on the property, liens on certain of the machinery in respect to unpaid balances. We acquired those liens and it was those liens we turned in. It was our title to the machinery on which these

25 liens existed which we turned into the company.

Q. For 51% of the stock?

A. For 51% of the stock, that is correct.

30 BY MR. McRUER: Q. What became of the other 49%? You say that was issued to bondholders?

A. That

was issued to previous bondholders of the Brubacher Silk Mills, Limited, yes.

a capital of 20,000 shares of no par value

A. That is correct.

Q. And it is entered in the balance sheet

at the last of September, 1908 at \$200,000

A. \$200,000 capital and \$17,000 in undistributed earnings

Q. Yes, I just wanted to ask you to explain

that, it is correct.

Now, when you entered the total capitalization of the

company?

A. Now, those shares were issued to acquire

assets of the company, which will appear in the balance sheet

A. Assets which were previously owned by the members

of the company.

Q. Now, when those shares were issued to acquire

assets, did any of them were.

A. All of the 20,000 were issued to acquire

assets, that is correct.

Q. Now, when the company was formed, did it have any

assets acquired at the formation?

A. Yes, it had assets on the property, items on certain of

the property, in respect to unpaid balances.

Q. And when those items were turned

in, it was on title to the property, on which there

was a mortgage which was turned into the company.

A. Yes, that is correct.

Q. And that is correct.

Q. Now, when the company was formed, did it have any

assets acquired at the formation?

A. Yes, it had assets on the property, items on certain of

the property, in respect to unpaid balances.



Q. Did it all go to them? A. Yes, 49%.

THE COMMISSIONER: Did it take in bonds, call in bonds?

BY MR. McRUER: Q. You got bonds in exchange for that? A. The bonds of the Brubacher Silk Mills were valueless; no, we got the balance of the fixed assets.

Q. That is how you wiped them out? A. The liquidation of the Brubacher Silk Mills wiped the bonds out. They never were anything in relation to the Valleyfield Silk Mills.

Q. If the bonds were not worth anything why did you give 49% of the common stock to the bondholders? A. I wonder if in my own words I might explain a few of the things that led up to this.

Q. Well, tell us the whole story? A. I think it would be better to start at the beginning. The Brubacher Silk Mills were incorporated with, I understand, a capital of \$500,000 plus a small amount of preference stock, or a small amount of common stock. The \$500,000 was in preference.

Q. Do you know when it was incorporated? A. I think in 1929, but I am not quite sure.

MR. WATSON: 1928 or 1929.

THE WITNESS: Then, \$500,000 was borrowed on bonds from the Bank of Montreal. I believe that the intention was to issue these bonds to the public but in view of the market conditions at that time they were never able to do so. The Bank of Montreal gave the company \$500,000 and had a joint guarantee to

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Q. Now it all goes to the bank?

A. Yes, it goes to the bank; and it goes in bonds, and

Q. Now you have bonds in exchange

A. The bonds of the corporation

With which were valueless; no, we got the value of

Q. That is how you have them now?

A. I think of the corporation; the value of the bonds is not the same as the value of the corporation. The value of the bonds is not the same as the value of the corporation.

Q. If the bonds were not worth anything, why

did you give up of the common stock to the bank?

A. I wonder if in my own mind I

could explain a few of the things that I had to do

Q. Well, tell me the whole story?

A. I think it would be better to start at the beginning.

The corporation with which I

was connected, a capital of \$200,000 plus a small

amount of interest, or a small amount

common stock. The \$200,000 was in interest.

Q. To you know what it was in interest?

A. I think it was, but I am not quite sure.

Q. Now, when it was in interest?

A. I think it was, but I am not quite sure.

Q. Now, from the bank of Montreal. I believe that the

intention was to issue these bonds to the public and

in view of the market conditions at that time that

were never able to do so. The bank of Montreal, I

the company, I think, was not a very successful one



Newman Sweezey & Company and Dominion Securities.

Now, naturally as bondholders they were the people that were entitled to all the residual assets of the Brubacher Silk Mills on winding up. We obtained  
5 liens to the machinery -- we obtained title to the machinery through these liens that were outstanding.

Q. The liens would be prior to the bonds?

A. Prior to the bonds, yes. We therefore were left with the machinery on which the liens existed.  
10 The guarantors of the bondholders were left entitled to all the balance of the fixed assets. The fixed assets to which they were entitled were put into the pool, put into the new company for 49%. The machinery on which the liens existed was put into the new company  
15 by us for 51% of the stock.

Q. So the net result was that the bonds were wiped out and the liens were wiped out and the company for the issue of 20,000 shares no par value had these assets clear of encumbrance; is that correct?

A. The liens still existed at the time we took over because Grout's did not immediately pay off the balance. They merely undertook the liability to do so.

Q. They undertook the liability of the \$100,000 that was owing on the liens? A. That is correct.

Q. Was that paid? A. The majority of it has been paid. It is not all paid yet. It was payable in sixteen quarterly instalments.

Q. The whole \$100,000? A. Yes.

Q. So that eventually the company will own its

between the two companies and the company.

and, as a result of the investigation, the company

was found to be in violation of the provisions of the

act in respect of the company's financial statements.

It was also found that the company had failed to

comply with the provisions of the act in respect of

the company's financial statements.

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It was also found that the company had failed to

comply with the provisions of the act in respect of



assets clear of encumbrance for the issuing of 20,000 shares, no par value?

A. Clear of encumbrance with the exception of \$100,000 in new bonds issued by the Valleyfield Silk Mills.

5 BY THE COMMISSIONER: Q. With the exception of what?

A. With the exception of \$100,000 of bonds which the Valleyfield Silk Mills has issued.

Q. The new company? A. Yes.

10 BY MR. McRUER: Q. To whom? A. To the Bank of Montreal.

Q. Is Grout's Limited interested in those bonds?

15 A. I am sorry, I should have said 50% to Grout & Company, Limited in England and 50% to the Bank of Montreal. Grout's Limited are not interested in those bonds.

20 Q. What I am getting at is, does the issue of the \$100,000 worth of bonds create a fund that is used either by Grout's Limited, or Grout's of England and the Bank of Montreal to pay the lien holders the \$100,000? A. No relation whatever between our bonds and the liens.

25 Q. None? A. None whatever; \$100,000 of cash was put up for the bonds that were issued by Valleyfield Silk Mills.

Q. So that the two are distinct? A. Quite distinct.

BY THE COMMISSIONER: Q. What was the bond issue for? A. For cash.

30 Q. What was the cash used for? A. For working capital.

...of course of course for the issue of \$2,000,000  
...of course of course for the issue of \$2,000,000

...with the exception of \$100,000 in new bonds  
...with the exception of \$100,000 in new bonds

...of course of course for the issue of \$2,000,000  
...of course of course for the issue of \$2,000,000

...with the exception of \$100,000 in new bonds  
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...with the exception of \$100,000 in new bonds  
...with the exception of \$100,000 in new bonds



5 BY MR. McRUER: Q. So that to make sure we have it clear, for the issue of 20,000 shares, no par value, the company got these assets clear of encumbrance but it has since encumbered these assets for \$100,000 by way of a bond issue? A. That is correct, except that machinery with the liens still existing on them can hardly be said to be clear of encumbrance.

10 Q. Well, Grout's Limited got 51% of the 20,000 shares on the undertaking to pay that off?

A. That is correct.

15 Q. So that when you pay it off that will be the situation? A. That is correct. If Grout's do not pay it off, of course, the lien still exists on the Valleyfield machinery.

Q. But they have Grout's undertaking to pay that off? A. They have, yes.

20 Q. Then, what is this distributable surplus set up out of proceeds received of issue of shares, \$175,000; what is that item? A. Well, when the new company was formed the question of the capitalization of it came up for consideration. It was quite obvious from the asset value that was brought into the new company that \$300,000 was quite a bit less than the assets were worth. On the other hand we did not want to overburden the new company with shares or capitalization upon which dividends would have to be paid so that we set up the value of the fixed assets at \$475,000 and then instead of setting up share capital to an equal value we set up \$300,000

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Q. Now, if I understand you correctly, the company got these assets of one of the companies but it has since purchased these assets for \$100,000 by way of a bond issue? A. That is correct, except that machinery with the same still existing on foot and partly be said to be clear of encumbrance.

Q. Well, what's the value of the \$100,000 then on the machinery to pay that off? A. That is correct.

Q. So that when you say it off that will be the situation? A. That is correct. It doesn't do not pay it off, of course, the firm still exists on the value of machinery.

Q. But they have some machinery to pay that off? A. They have, yes.

Q. Then, what is this distributable surplus set up out of proceeds received of issue of shares, \$175,000; what is that item? A. Well, when the new company was formed the question of the capitalization of it came up for consideration. It was quite obvious from the asset value that was brought into the new company that \$200,000 was quite a bit less than the assets were worth. On the other hand we did not want to overburden the new company with shares or capitalization upon which dividends would be paid so that we set up the value of the fixed assets at \$175,000 and then instead of setting



of actual capital and \$175,000 of distributable surplus.

Q. That was just making use of the provision in the Companies Act that permits you in the capitalization of a company with shares of no par value to set apart a certain amount of the capital as distributable surplus?

A. That is correct, that provision existed at that time.

Q. Out of which the company may or may not pay dividends as it would wish?

A. That is correct.

Q. Then, there is an item in here, amount due to Grout's Limited \$13,063.46; what is that? A. The \$100,000 working capital received from the bonds was not sufficient working capital. From time to time Grout's Limited advanced current advances to Valleyfield Silk Mills Limited. That is the amount outstanding on that date.

Q. Oh yes, I see; well, how much did you say the original bond issue was, \$500,000?

A. \$500,000, I understand. Of course, they are not definite records of the company so that it is practically a matter of hearsay as far as I am concerned.

Q. Well now, Mr. Howson in his analysis of the questionnaire apparently digests the analysis in this way, that in regard to the Valleyfield Silk Mills, Limited, shares sold for cash to Grout's Limited 10,196 shares, and he sets it up at \$97,657,65?

A. Well, the legal process through which that transaction went was that we turned -- Valleyfield was incorporated for so many shares, sold those shares for

of net assets and \$15,000 of distributable surplus.

Q. That was just making use of the provision in the Companies Act that permits you in the liquidation of a company with surplus of no net value to set apart a certain amount of the capital as distributable surplus?

A. That is correct, that provision existed at that time.

Q. Out of which the company may or may not pay dividends as it would wish?

A. That is correct.

Q. Then, there is an item in here, amount due to Groat's Limited \$13,068.46; what is that?

A. The \$100,000 working capital received from the bonds was not sufficient working capital. From time to time Groat's Limited advanced current advances to Valleyfield Silk Mills Limited. That is the amount outstanding on that date.

Q. Oh yes, I see; well, how much did you say the original bond issue was, \$800,000?

A. \$800,000, I understand. Of course, they are not definite records of the company so that it is possible a matter of memory as far as I am concerned.

Q. Well now, Mr. Hanson in his analysis of the questionnaire apparently digests the analysis in this way, that in regard to the Valleyfield Silk Mills Limited, shares sold for cash to Groat's Limited 10,136 shares, and he sets it up at \$27,657.67.

Q. Now, what is the source of that information?

A. -- Valleyfield was incorporated for so many shares, sold those shares for

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cash to the extent of \$475,000 and then bought with that cash all the assets. That is the legal fiction, if you want to put it that way.

5 Q. That would be correct that this sum of \$97,657.64 would be the amount of the obligation you assumed? A. That is correct.

10 Q. Or its equivalent of cash, at any rate; Valleyfield Silk Mills was apparently incorporated in 1933? A. That is correct, yes.

Q. So it evidently did not run very long under the Brubacher Company? A. No, just about two years of operation and one year of bankruptcy without operating.

15 Q. So, to go back now to the parent company, Grout's Limited, the cash that was subscribed appears in 1924 -- or rather in its entirety including 1924 and 1929 appears to have been \$463,000 in round figures? A. \$484,000, I think.

20 Q. Oh yes, I am afraid I was not allowing for the \$20,000 premium, that is right, yes, you are quite right. A. Yes, that is it.

25 Q. Now, ~~xx~~ you have got a copy of the questionair A. Yes, I have.

30 Q. Turn to 13A dealing with the disposition of the profits. From 1926 to 1935 -- probably we ought to get the annual statement of 1926. Now, your surplus account as of the 27th of June, 1925 showed a balance of \$15,965? A. If I might glance over

cash to the extent of \$475,000 and then brought it in that cash all the assets. That is the legal

fiction, if you want to put it that way.

Q. That would be correct that this sum of

\$475,000 would be the amount of the obligation

you assumed? A. That is correct.

Q. Or its equivalent of cash, at any rate;

Vallentyne Silk Mills was apparently incorporated

is that? A. That is correct, yes.

Q. So it evidently did not run very long under

any management? A. No, just about two

years of operation and one year of bankruptcy administration.

Q. Now, to go back now to the parent company,

Growth Limited, the cash that was subscribed

appears in 1924 -- or rather in the certificate

including 1924 and 1925 appears to have been \$475,000.

in round figures? A. \$475,000, I think.

Q. Oh yes, I am afraid I was not allowing for

the \$25,000 premium, that is right, yes, you are

right. A. Yes, that is it.

Q. Now, have you got a copy of the present one

A. Yes, I have.

Q. Turn to 134 dealing with the disposition of

the first. From 1925 to 1926 -- probably we are

at the annual statement of 1926. Now, your

statement as of the 27th of June, 1926 shows

A. If I might glance over

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that.

Q. Yes, just look at that.

A. The

balance, that is at June, yes, was \$15,965.

Q. I am going back to the year before the  
questionnaire starts and --

MR. KELLOCK: This is Grout's, is it?

MR. McRUE: Yes. And for the year 1926 the net  
profit on sales appears to be \$76,068? A. That is  
correct.Q. In that year you paid \$3,733.93 on the  
preferred stock; that would be at the rate of 7% --  
no, that must be just a half yearly payment?

A. It was at the rate of 7%.

Q. Apparently half of the fiscal year would go  
in the earlier part, probably? A. Oh yes, that  
is so -- no, the full year should be there. That is  
explained by the fact that all the preference would  
not have been issued for a full year at that time, I  
think.

Q. 1926?

A. I think so.

Q. Well, at any rate, you paid the full interest  
on the preference shares all the way through?

A. We have.

Q. The dividends on the common stock were  
\$11,720? A. That is correct.

Q. And transferred to surplus account \$27,536?

A. Yes.

Q. Then, in 1927 the net profit on sales amounted  
to \$105,606? A. That is correct.

Q. And the dividends paid were preferred,

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Q. Yes, just look at that.  
balance, that is at June, you was \$15,988.  
Q. I am going back to the year before the  
questionnaire starts and --  
MR. WILKINSON: This is correct, is it?

MR. BRYDIE: Yes. And for the year 1936 the  
profit on sales appears to be \$16,387. A. What is

Q. In that year you paid \$3,738.95 on the  
preferred stock; that would be at the rate of 7% --  
no, that must be just a half yearly payment?  
A. It was at the rate of 7%.

Q. Apparently half of the fiscal year would be  
in the earlier part, probably? A. In yes, that  
is so -- no, the full year should be there. That is  
explained by the fact that all the preference would  
not have been issued for a full year at that time.

Q. Yes?  
A. I think so.  
Q. Well, at any rate, you paid the full interest  
on the preference shares all the way through?

A. We have.  
Q. The dividends on the common stock were  
\$11,720?

A. That is correct.  
Q. And transferred to surplus account \$27,588?

A. Yes.  
Q. Then, in 1937 the net profit on sales amount  
\$11,720?  
A. That is correct.



\$8,137, common, \$27,812?

A. That is correct.

Q. And transferred to surplus account, \$17,352?

A. That is right.

Q. 1928, net profit on sales amounted to

\$154,447?

A. Yes.

Q. Dividend on the preferred shares \$7,000?

A. \$7,000 is the correct annual dividend; \$8,137.82 referred to a 14 month period. The 1926 period ended, I believe, in June; the subsequent periods in August.

Q. Now, the common dividend amounted to

\$35,328; that is about \$8,000 more than the previous year?

A. That is correct.

Q. Had there been an increase in the rate that year?

A. There was no fixed rate. Any increase in the amount of dividend must be explained by either an increase in the capital or an increase in the rate. There is no fixed rate on the common.

Q. Could you tell me from your records whether there had been an increase in the rate on the common in the year 1928?

A. I am satisfied that that is the explanation although I have not the exact figures before me..

Q. Then, in 1929 the net profit on sales amounted to \$143,000; the preferred dividend, \$7,000, and the common dividend \$61,885?

A. That is correct.

Q. That was the year that the capital was increased and I would like to know if together with the increase in the capital there was an increase in

\$8,137, common, \$27,312? A. That is correct.

Q. And transferred to surplus account, \$17,312?

Q. 1928, net profit on sales amounted to

Q. Dividend on the preferred shares \$7,000?

A. \$7,000 is the correct annual dividend; \$8,137.32

referred to a 14 month period. The 1928 period

ended, I believe, in June; the subsequent periods in

Q. Now, the common dividend amounted to

\$35,328; that is about \$8,000 more than the previous

years? A. That is correct.

Q. Had there been an increase in the rate then

years? A. There was no fixed rate. Any

increase in the amount of dividend must be explained

by either an increase in the capital or an increase

in the rate. There is no fixed rate on the common.

Q. Could you tell me from your records whether

there had been an increase in the rate on the common

in the year 1928? A. I am satisfied that

that is the explanation although I have not the exact

figures before me.

Q. Then, in 1929 the net profit on sales

amounted to \$125,000; the preferred dividend, \$7,000,

and the common dividend \$21,388? A. That is

correct.

Q. That was the year that the capital was

increased and I would like to know if together with

the increase in the capital there was an increase in

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the common dividend?

A. That I don't know, Mr.

McRuer.

Q. Well, can we get that from your annual statements?

A. Undoubtedly, yes.

Q. I hand you copies of the annual statements, 1928 and 1929; there appears to be nothing in these in the nature of a summary or anything of that kind.

A. We need to have one year of lag in each case because the previous year's dividend appears in the subsequent year's surplus account. There has been  $12\frac{1}{2}\%$  on the common stock paid in 1927. The 1928 surplus account shows the amount of the  $12\frac{1}{2}\%$  common stock dividend in 1927.

Q. Then in 1928 evidently the rate was  $17\frac{1}{2}\%$ ?

A. That is correct.

Q. Well, we might as well clear that back to the beginning of the company now. I have a statement for the year ending the 27th of June, 1925.

That does not show any payment of dividend there at all?

A. There had been no previous period.

Q. Yes; well then, the 27th of June, 1926?

A. Is the first period -- the first surplus account that would show a dividend.

Q. You haven't got the 1926 one there, have you?

A. I am sorry, I haven't -- oh, that may be the one that you left there.

Q. Yes, this is it. A. I am sorry.

Q. 5% on the common stock, dividends paid to the 31st of October, 1925. Then, up to the 31st of

the common dividend?  
A. That I don't know, Mr.  
statement?  
A. Undoubtedly, yes.  
I hand you copies of the annual statements,  
1928 and 1929; there appears to be nothing in these  
in the nature of a summary or anything of that kind.  
A. It need to have one year of lay in each case  
because the previous year's dividend appears in the  
subsequent year's surplus account. There has been  
1928 on the common stock paid in 1927. The 1928  
surplus account shows the amount of the 1928 common  
stock dividend in 1927.  
A. Then in 1928 evidently the rate was 17 1/2%  
A. That is correct.  
A. Well, we might as well clear that back to  
the beginning of the company now. I have a state-  
ment for the year ending the 31st of June, 1925.  
That does not show any payment of dividend there at  
all? A. There had been no previous period.  
A. Is the first period -- the first surplus account  
that would show a dividend.  
A. You haven't got the 1926 one there, have you?  
A. I am sorry, I haven't -- oh, that may be the one  
that you left there.  
A. Yes, this is it.  
A. I am sorry.  
A. On the common stock dividend paid to  
31st of October, 1925. Then, up to the 31st of

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October, 1925 it was 5%, and from the 31st of October, 1925 to the 31st of October, 1926 it was at what rate? 12½%, did you tell me? A. This is 1928, you took that statement back.

Q. Oh, here we have it. A. That is a dividend of 10% for the year 1926, the year ending August, 1926.

Q. The year ending August, 1926 was 10% and the year ending August, 1927? A. 12½%.

Q. The year ending August 1928? A. 17½%.

Q. And the year ending August, 1929?

A. 17½%.

Q. The year ending August, 1930? A. 12½%.

Q. The year ending August, 1931? A. 12½%.

Q. The year ending August, 1932? A. 8%.

Q. The year ending August, 1933?

A. 10% -- excuse me, may I check that please?

Thank you; 10%.

Q. The year ending August, 1934? A. 10%.

Q. And have you the year ending August, 1935?

A. I think you have it, Mr. McRuer.

BY THE COMMISSIONER: Q. Am I right in this that the highest rate of dividend paid was 17½%?

A. That is correct, sir. The 1935 balance sheet was supplied to the Commission.

BY MR. McRUER: Q. Just let us see.

A. You found the 1934 dividend in the 1935.

Q. It is the 1936 balance sheet?

A. In 1936 the balance sheet has not yet been prepared. I think I am correct in stating it was a

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October, 1935 it was 5%, and from the 1st of October,  
1936 to the 31st of October, 1936 it was at what rates?  
1936, did you tell me? A. This is 1936, you  
took that statement back.  
A. Oh, here we have it. A. That is a  
division of 10% for the year 1936, the year ending  
August, 1936.  
A. The year ending August, 1936 was 10% and  
the year ending August, 1937?  
A. 1937.  
A. The year ending August 1937  
A. And the year ending August, 1938?  
A. 1938.  
A. The year ending August, 1939?  
A. The year ending August, 1940?  
A. The year ending August, 1941?  
A. The year ending August, 1942?  
A. The year ending August, 1943?  
A. 10% -- excuse me, may I check that please?  
Thank you; 10%.  
A. The year ending August, 1944?  
A. 10%.  
A. And have you the year ending August, 1945?  
A. I think you have it, Mr. McRae.  
A. That is correct, sir. The 1945 balance sheet  
was supplied to the Commission.  
BY A. McRae: A. That let us see.  
A. You found the 1944 division in the 1935.  
A. It is the 1936 balance sheet?  
A. In 1936 the balance sheet has not yet been  
prepared. I think I am correct in stating it was

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10% dividend.

MR. WATSON: Shall we find out for you?

MR. McRUER: Let us have it accurate.

THE WITNESS: I cannot be quite sure of it.

MR. WATSON: The 1936 dividend?

THE WITNESS: The 1935 dividend.

MR. McRUER: Mr. Watson, you might bring it  
up to date to August, 1936 now.

THE WITNESS: There has been no dividend yet.  
The dividend, if any, has not been declared, and  
quite unlikely there will be one, too.

Q. It is an annual dividend? A. It is an  
annual dividend.

Q. Now, for these years from 1934 -- 1924 to  
1935 apparently the net profits have amounted to  
\$714,119.78 and there have been disbursed in dividends  
on preferred stock \$67,871.75 and on common stock  
\$437,343.25? A. Those figures are all  
subject to verification from the returns to the  
government. I don't know.

(page 9310 follows)

108 DIVIDEND.

THE DIVIDEND: I cannot be quite sure of it.

MR. MORTIMER: But we have it accounted for.

THE DIVIDEND: I cannot be quite sure of it.

MR. MORTIMER: The 1904 dividend?

THE DIVIDEND: The 1904 dividend.

MR. MORTIMER: Mr. Mortimer, you might bring it

up to the 1904 dividend, 1904 dividend.

THE DIVIDEND: There has been no dividend yet.

The dividend, if any, has not been declared, and

quite unlikely there will be one, too.

MR. MORTIMER: It is an annual dividend?

Annual dividend.

MR. MORTIMER: For those years from 1904 to

1905 approximately the net profits have amounted to

\$212,710.78 and there have been dividends of

or preferred stock \$37,871.75 and on common stock

\$437,242.83. These figures are all

figures as verified by the books of the company.

Government. I don't know.

(The witness follows)

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Q. Well, the summary of the amount of dividends paid is quite simple. It appears that the shareholders who invested \$363,250 in the common stock of the company have received in dividends in about the 10-year period \$437,343 or practically \$75,000 more than their total investments? A. The amount

of the investment of the common shareholders is \$484,000, not the figure you mentioned.

Q. The common shareholders did not invest \$484,000? A. \$384,000. I am sorry.

Q. Yes, \$384,000. That is right. I will put it to you this way: According to this summary of Mr. Horsman's the common shareholders have received in dividends \$437,343.25 now. If there is anything wrong with that figure I would be very glad if you would correct it?

A. At a later time?

Q. By tomorrow morning if you can, because it is a matter of simple arithmetic? A. I will be glad to do it.

Q. That is one of the reasons I am asking you these questions now, if there is anything turns to be wrong about them we want to correct it? A. I will be glad to do it. That is the total dividends received over a period to 1935?

Q. Yes, total amount paid out.

THE COMMISSIONER: That does not include the 1935 dividend, does it?

MR. McRUER: No, which Mr. Watson is getting us.

Maywood, 1910

Well, the summary of the amount of dividends

paid is quite simple. It appears that the share-

holders who invested \$33,333 in the common stock

of the company have received in dividends in about

the 10-year period \$437,348 or practically \$43,734

of the investment of the common shareholders is

\$434,000, not the figure you mentioned.

The common shareholders did not invest

\$434,000. A. \$333,333. I am sorry.

O. Yes, \$333,333. That is right. I will put it in

you this way: According to this summary of Mr. Ho-

the common shareholders have received in dividends

\$437,348.35 now. If there is anything wrong with the

figure I would be very glad if you would correct it.

O. By tomorrow morning if you can, because it is

a matter of simple arithmetic? A. I will be glad

to do it.

O. That is one of the reasons I am asking you to

questions now, if there is anything wrong with the

figure they want to correct it? A. I will be

glad to do it. That is the total dividends

received over a period to 1933.

A. Yes, total amount paid out.

O. Corrected then: That does not include the 1934

dividend, does it?

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Q. In addition to that the preference shareholders have received the 7% on the \$100,000 regularly?

A. That is correct.

5 Q. Now, before I go on to the Valleyfield Silk Mills, there are one or two things I want to ask you further in connection with Grout's.

MR. KELLOCK: Perhaps that figure you wanted is 10% for 1935.

10 MP. McRUER: Q. That would be in money 10% on the outstanding --- A. \$43,825. May I

correct that figure again, Mr. McRuer. The total investment by the ordinary shareholders is \$484,000 and not \$384,000.

15 Q. How do you make that? A. Total investments has been \$520,000, including \$75,000 bonus.

20 Q. Oh, yes, but you have to take \$100,000 off that for preferred stock? A. \$100,000 off \$588,000 is \$488,000.

Q. Then you take your \$100,000 off for good will? A. Yes.

Q. And we get \$363,250 and \$20,830 that was paid in premiums? A. Must be something wrong.

25 Q. We will soon work it out? A. That is correct. I am sorry, \$484,000 was the total cash including preference, \$384,000 is the total cash paid in on ordinary shares alone. That is correct, \$384,000.

30 Q. I get that by adding \$362,000 and \$20,832, which was paid in premiums. Add those two together and get

.. In addition to that the preference shareholders

have received the 7% on the \$100,000 regularly?

.. That is correct.

.. Now, before I go on to the Valleyfield Bill

Wills, there are one or two things I want to ask you

further in connection with them.

A. KILLICK: Perhaps that figure you wanted is

low for 1935.

MR. MONROE: That would be in money 1935 or

the outstanding --- A. \$40,825. May I

investment by the ordinary shareholders is \$184,000

and not \$184,000.

A. Total investment

has been \$350,000, including \$75,000 bonus.

.. Oh, yes, but you have to take \$100,000 off that

is \$488,000.

.. Then you take your \$100,000 off for good will?

A. And we get \$350,000 and \$20,000 that was paid

in premiums? A. That be something wrong.

.. He will soon work it out? A. That is

correct. I am sorry, \$484,000 was the total cash

including preference, \$384,000 is the total cash paid

in on ordinary shares alone. That is correct, \$384,000.

.. I got that by adding \$350,000 and \$20,000, and

as paid in premiums. And those two together and not



\$384,000?

A. That is quite correct.

Q. The 1935 dividend was \$43,000 - how much?

A. No, that figure that will be incorrect. That is right, \$43,825, 10% on \$438,250. And when we figure these at 10% or 17½% or whatever they were - of course it is a considerably higher percentage than that if you take into consideration the actual cash and not the goodwill. That is 10% on the cash plus the \$75,000 for goodwill?

A. That is correct.

The goodwill was written off out of profit. So that there is actual cash invested now for that goodwill. The whole of that \$75,000 was written off out of profit.

Q. In addition to paying these dividends you have written off \$75,000 as against the goodwill?

A. That is correct.

Q. And then how much have you written off as against plant and machinery? A. The total of all depreciation reserves to the end of 1935 is approximately \$361,000.

Q. \$361,000?

A. That appears to be correct.

Q. I see by your 1935 Balance Sheet that the buildings are in the balance sheet at a cost of \$132,700 and you have written off for depreciation \$27,026.37? A. That is so.

Q. The plant and machinery are in the balance sheet at \$398,227.55. That is the cost. Written off for depreciation \$334,580.87, so that you have

Q. The 1935 dividend was \$45,000 - how much?  
A. No, that figure that will be incorrect. That is  
right, \$45,000, 10% on \$450,000. And when we figure  
them at 10% on 17 1/2% or whatever they were - of course  
it is a considerably higher percentage when that  
it for same rate calculation are actual cash and not  
the goodwill. That is 10% on the cash plus the  
\$75,000 for goodwill? A. That is correct.  
The goodwill was written off out of profit. So that  
there is actual cash invested now for that goodwill.  
The whole of that \$75,000 was written off out of profit.  
A. In addition to paying these dividends you have  
written off \$75,000 as against the goodwill?  
A. That is correct.  
A. And then how much have you written off as  
against plant and machinery? A. The total of  
all depreciation reserves to the end of 1935 is  
approximately \$261,000.  
Q. \$261,000? A. That appears to be  
correct.  
A. I see by your 1935 balance sheet that the  
buildings are in the balance sheet at a cost of \$125,7  
and you have written off for depreciation \$27,000.37?  
A. That is so.  
A. The plant and machinery are in the balance  
sheet at \$330,227.55. That is the cost. Written  
off for depreciation \$334,380.87, so that you have

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the machinery all written off with the exception of \$63,646.68? A. That is correct.

5 Q. So that in addition to the common stock shareholders getting back considerably more than the amount of their investment the Company has written off practically all its machinery and a substantial portion of the cost of the buildings? A. We cannot agree to practically all - \$63,000 is a very substantial balance.

10 Q. How much is it you wrote off per year - for 1935 you wrote off \$29,000. Would that include both the building and machinery? A. Yes.

15 Q. But it will just be a matter of a very short time until the machinery will be all written off? A. Provided the years are profitable enough to pay the balance.

20 Q. Then the goodwill is all written off, the \$75,000? A. Yes, sir, it is.

Q. And at the end of the year 1935 the balance in surplus accounts amounted to how much?

A. \$72,200.

25 Q. So that with the balance and the surplus account there is plenty of funds with which to write off the entire balance as against the machinery? A. That is correct.

30 Q. And I suppose that this plant and machinery is worth something now? A. Undoubtedly worth something.

1917

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the machinery all written off with the exception of  
\$68,846.88? A. That is correct.

Q. So that in addition to the common stock  
shareholders getting back considerably more than the  
amount of their investment the Company has written  
off practically all its machinery and a substantial  
portion of the cost of the buildings? A. We cannot  
agree to practically all - \$68,000 is a very sub-

Q. How much is it you wrote off for year -  
for 1935 you wrote off \$42,000. Would that include  
both the building and machinery? A. Yes.

Q. That is will just be a matter of a very short  
time until the machinery will be all written off?  
A. Provided the years are profitable enough to pay  
the balance.

Q. Then the goodwill is all written off, the  
\$70,000? A. Yes, sir, it is.

Q. And at the end of the year 1935 the balance  
in surplus accounts amounted to how much?

Q. So that with the balance and the surplus  
account there is plenty of funds with which to write  
off the entire balance as against the machinery?  
A. That is correct.

Q. And I suppose that this plant and machinery  
is worth something now?  
A. Undoubtedly worth something.



Q. Have not had an appraisal made of it recently, or anything of the sort? A. No, we have not.

Q. Not offering it for sale? How much is it assessed at, do you know? A. That is a question I cannot answer.

Q. Have you a commutation of taxes? A. We have.

Q. Will you please find out what the assessed value of the plant and machinery is? A. Would there be an assessment on the machinery or on the building only?

Q. There would be on the real estate. Machinery is really a fixed asset.

MR. KELLOCK: No separate assessment.

MR. McRUER: Q. The plant and machinery would be all assessed as real estate, and find out what our assessment is for school taxes? A. I will be glad to do that.

Q. Well now, what is your surplus including general repairs and dividends equalization fund? A. \$232,000.

Q. \$232,284? A. Yes.

Q. So that in addition to the \$72,204, you have a general reserve and dividend equalization fund amounting to about \$160,000? A. That is correct.

Q. So that if you take the general reserve and dividend equalization fund into consideration you could write off the balance of the real estate and have something left - \$105,000 is the real estate after depreciation in your last balance sheet? A. I think

Q. Now, we have not.

A. Not offering it for sale? How much is it assessed at?

A. That is a question I cannot

Q. Have you a computation of taxes? A. We have.

Q. Will you please find out what the assessed value

A. Would there be

an assessment on the machinery or on the building only?

A. There would be on the real estate. Machinery

is really a fixed asset.

MR. KELLON: No separate assessment.

MR. KELLON: The plant and machinery would be

all assessed as real estate, and find out what that

assessment is for school taxes? A. I will be glad

to do that.

Q. Tell me, what is your surplus including general

repairs and dividends equalization funds? A.

\$252,000.

A. Yes.

Q. So that in addition to the \$72,204, you have a

general reserve and dividend equalization fund amounting

to about \$80,000? A. That is correct.

Q. So that if you take the general reserve and

dividend equalization fund with the \$72,204, you have

about \$152,204 in the total reserve and dividend

fund? A. Yes.

Q. Is that correct?



that is probably correct, Mr. McRuer.

5 Q. So that the net result of the 10 or 11 years in business has been to pay back to common stock shareholders in something more than the full amount they have invested - I think runs \$56,000 more. To pay the preferred shareholders their 7% dividend and to write off \$75,000 in goodwill and provide reserves of one sort and another to take care of the total cost of the plant and machinery? A. That appears to be correct.

10 Q. Now, I notice a reference to an Employees Benefit Fund. Would you tell me what the Employees Benefit Fund is? A. The Employees Benefit Fund no longer exists. It was a fund that was established with the idea in mind that later on we might, when our employees started, when the company had been in business long enough to get older employees to take care of, some such scheme as that for the benefit of the employees.

15 Q. Will you tell me about the fund when it was started, the principle on which it was started and we will get all the details? A. It was started at the end of the fiscal year, 1927. It carried through with annual increases ---

20 THE COMMISSIONER: What was its basis?

MR. McRUER: What was the basis of the fund?

25 A. No basis, purely an arbitrary addition from time to time of such amount as the Directors saw fit

Q. So that the net result of the 10 or 11 years in  
business has been to pay back to common stock share-  
holders in something more than the full amount they  
have invested - I think runs \$50,000 more. To pay  
the preferred shareholders their 7 1/2 dividend and to  
write off \$75,000 in goodwill and provide two years  
of one sort and another to take care of the total

cost of the plant and machinery?  
A. That depends  
to be correct.  
Q. Now, I notice a reference to an employee  
benefit fund.

A. The Employees  
Benefit Fund is  
It was a fund that  
was established with the idea in mind that later on  
we might, when our employees started, when the company  
had been in business long enough to get older employees  
to take care of, some such scheme as that for the  
benefit of the employees.  
Q. Will you tell me about the fund when it was

started, was it started as a fund?  
A. It was started as  
the end of the fiscal year, 1927. It expired through

the fund was  
Q. Now, what was the basis of the fund?  
A. No basis, purely an arbitrary addition from time  
to time of such amount as the directors saw fit



to transfer to it.

Q. Let us have something more of what was underlying it. Were there ever any moneys paid out of it?

A. Only a very small amount.

Q. How much was paid out of it altogether?

A. The difference between the figure outstanding at the end of August, 1929 and August, 1930, which looks like about \$646,

Q. What page are you looking at now? A. I am looking at "Comparative Balance Sheet, Liabilities. I am getting at that figure by inference. I could not be sure of it, just at the moment I can think of no other reason why the fund should have decreased at that time.

Q. That was between the year 1929 and 1930?

A. Yes, that is correct.

Q. On what basis were appropriations made to this fund? Did you take a percentage of the net earnings of the company or anything of that sort? A. Purely on an arbitrary basis.

Q. We might as well have on record now the appropriations that were made to the fund. In 1927 there was \$2,500 appropriated? A. That is correct.

Q. 1928 - \$10,175 appropriated? A. No, that is balance you have there.

Q. That is cumulative balance? A. I am not sure whether the addition in that year was \$2,500 with an addition of \$175 for interest but in effect

Q. Now how was paid out of it?  
A. Only a very small amount.  
Q. The difference between the figure outstanding at the end of August, 1935 and August, 1936, which looks like about \$348.  
Q. What page are you looking at now?  
A. I am looking at "Comparative Balance Sheet, Liquidation."  
Q. I am getting at that figure by inference. I could not be sure of it, just at the moment I can think of no other reason why the fund should have decreased at that time.  
Q. That was between the year 1935 and 1936?  
A. Yes, that is correct.  
Q. On what basis were appropriations made to this fund? Did you take a percentage of the net earnings of the company or anything of that sort?  
A. Purely on an arbitrary basis.  
Q. We might as well have on record how the appropriations that were made to the fund. In 1937 there was \$2,500 appropriated?  
A. That is correct.  
Q. 1938 - \$10,175 appropriated?  
A. No, that is balance you have there.

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the addition was the difference between those two figures.

Q. We better put it this way: The balance at the credit of the fund in the years was as follows:

1927, \$2,500. 1928, \$10,175 - that is correct?

A. Yes.

Q. 1929, \$16,387.25? A. Yes.

Q. 1930, \$15,661.85? A. Yes.

Q. 1931, \$18,000.00; 1932, \$19,260.00; 1933, \$19,250.00? A. Those figures are correct.

Q. And that sum of \$19,250 was transferred to the General Reserve Account? A. That is so.

Q. And what is the General Reserve Account?

A. The General Reserve Account is merely another surplus under a different name.

Q. What is the idea of carrying two surplus accounts one with a balance in it of \$72,000 and a general reserve account with a balance of about \$160,000?

A. Possibly one explanation would be that it is an English custom which our president likes.

Q. Well, outside of that, have you any other idea?

A. Nothing else.

Q. These items that were transferred to the employees Benefit Fund Reserve would be subject to a different ruling in regard to income taxes, are they not? A. Only payments from the fund are exempt.

Q. Well, is the fund taxed when they are set up?

A. The fund comes from profits that are taxable and

the addition was the difference between these two figures.

.. No better out of this way: The balance at the

credit of the fund in the years was as follows:

1927, \$2,000. 1928, \$10,175 - that is correct?

.. Yes.

.. 1929, \$10,000. 1930, \$10,000.

.. 1931, \$10,000. 1932, \$10,000.

.. 1933, \$10,000. 1934, \$10,000.

.. 1935, \$10,000. 1936, \$10,000.

.. and that sum of \$10,000 was transferred to the

General Reserve Account.

.. Yes, that is the General Reserve Account.

.. The General Reserve Account is merely another name

under a different name.

.. What is the idea of carrying the surplus account

one with a balance in it of \$75,000 and a General

reserve account with a balance of about \$10,000?

.. A. Possibly one explanation would be that it is an

English custom which our President likes.

.. Well, outside of that, have you any other ideas?

.. A. Nothing else.

.. These items that were transferred to the

Employee Benefit Fund Reserve would be subject to a

retirement plan in terms of income taxes, the way

that only payments from the fund are exempt.

.. Well, is the fund taxed when they are set up?

.. A. The fund comes from profits that are taxable and



the fund itself, the appropriations to the fund form part of the profits on which we pay taxes at the end of each fiscal year.

5 Q. Then when you pay out of the fund? A. That can be put through as deductible expenses

Q. You put that through as deductible expense on that year's business? A. That is correct.

THE COMMISSIONER: There is no more fund now.

10 The fund is gone? A. The fund is now included in the General Reserve.

Q. It is not ear-marked in any way? A. No, it is not.

15 MR. McRUER: Q. Why did you not carry on with your Employees Pensions Fund? A. Perhaps I can best answer that by going back to the beginning of the fund. Mr. Watson, our General Manager always had it in mind to set up some kind of a fund by which the employees could benefit. He had at the time of the inception 20 nothing very clear in his mind in regard to what should be done except he felt that the company's attitude towards employees should be as reasonable as possible, there should be a fund available to 25 assist employees in the case of emergency. While that is still the attitude of the company, our president suggested that it might just as well be in general reserves, could be used for that purpose equally well, 30 and for that reason it was transferred back again.

Q. Well, did you not have any memo made out

the fund itself, the appropriations to the fund  
from part of the profits on which we pay taxes, at the  
end of each fiscal year.

Q. Then when you pay out of the fund?  
can be put through as deductible as assets

Q. You put that through as deductible as assets  
on that year's business? A. That is correct.

Q. Now, if there is no more fund?  
The fund is gone? A. The fund is now included  
in the general reserve.

Q. It is not accumulated in any way? A. No, it  
is not.

Q. Mr. Brydie: Why did you not carry on with your  
Employees Pension Fund? A. Because I can't

answer that by going back to the beginning of the fund  
Mr. Brydie, our General Manager always had it in mind  
to set up some kind of a fund by which the employees  
could benefit. He had at the time of the inspection  
nothing very clear in his mind in regard to what  
should be done except he felt that the company's  
attitude towards employees should be as reasonable  
as possible, there should be a fund available to  
assist employees in the case of emergency. While the  
is still the attitude of the company, our President  
suggested that it might just as well be in general  
reserves, could be used for that purpose equally well.

Q. Now, if you had not done that, would you  
have done it anyway?

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that would indicate the purposes of this fund? Is there nothing in your Minute book about it? A. There is undoubtedly an item in the Minutes, yes.

5 Q. I wonder if you could have the item in the Minute book looked up which covers this fund?

A. I would be glad to do that.

10 Q. Apparently the only payment out of the fund amounted to about \$720? A. Judging by these figures that appears to be so, whether you want to include the \$10.00 reduction between 1932 and 1933.

Q. And it was in 1934 that the Employees Benefit Fund disappears at any rate from your books?

15 A. That is correct.

Q. Now, did the employees make any contribution to any fund? A. None whatever.

20 Q. Have you any medical services or anything of that nature for the employees? A. We have the usual First Aid and First Aid equipment, &c. Nothing beyond that.

25 Q. You provide nothing in the nature of insurance or doctor's services? A. Nothing, except of course under Workmen's Compensation Act, which, of course is not what you are discussing.

30 Q. I would like to get the Minute Book? A. It will take some time to find. It is a good many years back. If you like I will go and get it.

MR. McRUER: We could take a recess now while the witness gets the Minute book.

-- Adjourned at 3.45 P.M.

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that would indicate the purpose of this fund? Is there nothing in your Minute Book about it? There is undoubtedly an item in the minutes, yes. I wonder if you could have them in the Minute Book looked up which covers this fund? A. I would be glad to do that. Apparently the only payment out of the fund amounted to about \$750? A. Judging by these figures that appears to be so, whether you want to include the \$10.00 reduction between 1932 and 1933, and it was in 1934 that the employees benefit fund disappears at any rate from your books? A. That is correct. Now, did the employees make any contribution to any fund? A. None whatever. That is the nature for the employees? A. We have the Annual First Aid and First Aid equipment, etc. You provide nothing in the nature of insurance or doctor's services? A. Nothing, except of course under Workmen's Compensation Act, which, of course is not what you are discussing. I would like to get the Minute Book. It will have been since 1934, is it not? Any year back. If you like I will go and get it. Mr. Macdonald, we would like to see the Minute Book. The witness gets the Minute book.

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-- On resuming after recess.

BY MR. McRUER: Q. Now, have you the minutes dealing with the employees' benefit fund? A. I have.

Q. The minute is on the 8th of October, 1927;

5 "Mr. Watson suggested the desirability of establishing a fund for the purpose of financing a scheme for the benefit of employees, the nature of such scheme to be determined later. After some discussion the Secretary was instructed to place on record the Board's approval of the principle of establishing such a fund. It was thereupon resolved that Two Thousand Five Hundred Dollars (\$2,500) be set aside as a fund for the benefit of employees and that the Executive Committee of the Company be and is hereby authorized to administer such fund by the distribution of such sums as may seem desirable to them in cases of special necessity or hardship."

10 Now, is that the only minute there is between the establishment of the fund down to the disbursement of it? A. It is my recollection it is, yes. It was placed at the discretion of the executive committee. There were no directors' meetings or minutes necessary for that.

15 Q. Who are the executive committee? A. Major McSloy, Mr. Watson and myself are the only remaining members. At that time Mr. A.B. Fisher was also a member.

20 Q. A. B. Fisher of Toronto? A. Yes.

25 Q. A. B. Fisher, the importers? A. Mr.

-- On resuming after recess.

BY MR. McHURR: Q. Now, have you the minutes

dealing with the employees' benefit fund? A. I have

A. The minute is on the 8th of October, 1934.

"Mr. Watson suggested the desirability of estab-

lishing a fund for the purpose of financing a sub-

for the benefit of employees, the nature of such

scheme to be determined later. After some dis-

cussion the Secretary was authorized to place on

record the Board's approval of the principle of

establishing such a fund. It was thereupon

resolved that two thousand five hundred dollars

(\$2,500) be set aside as a fund for the benefit

of employees and that the Executive Committee of

the Company be and is hereby authorized to admin-

ister such fund by the distribution of such sums

as may seem desirable to them in cases of special

circumstances.

Now, is that the only minute there is between the

establishment of the fund down to the disbursement of

A. It is my recollection it is, yes.

It was placed at the discretion of the executive

committee. There were no directors' meetings or

minutes necessary for that.

A. Who are the executive committee?

for Messrs. Mr. Watson and myself are the only remain-

ing members. At that time Mr. A.B. Fisher was also

a member.

Q. A. B. Fisher of Toronto?

A. Mr. A. B. Fisher, the importer?



A. B. Fisher, the man you nearly had on the stand in Toronto.

Q. The man that was not A.B. Fisher -- not the one we had on the stand, the other one?

5 A. That is correct.

Q. The next minute is September 1st, 1934:

"The result of the twelve months' trading"--  
oh yes --"resolved that the following expenditures, adjustments and reserves as shown in the accounts of the  
10 Company in respect of the period ended September 1, 1934, be and are hereby approved:-

1. Payment of fees, commissions and bonuses as shown in Schedule "A" attached to these Minutes and identified by the signature of the President.  
15 2. Reserving the sum of five hundred dollars (\$500.00) in General Expense Account for the purpose of reimbursing the Directors for expenses incurred.

3. Reserving the sum of Two Thousand Dollars (\$2,000.00) in respect of the amount owing to  
20 Grout & Company Ltd. for travelling expenses incurred by Mr. F. J. Farrell on behalf of the Company, such sum to be reimbursed by the Company to Grout & Company Ltd.

4. Addition to tax reserve of the sum of Five  
25 Thousand Dollars (\$5,000.00) in respect of Dominion and Provincial Income Taxes.

5. Transferring the sum of Sixteen Thousand, One  
30 Hundred and Eighty-Four Dollars and Thirty-Seven Cents, (\$16,184.37) from Dividend Equalization Reserve

A. B. Fisher, the man you nearly had on the stand in Toronto.

The man that was not A. B. Fisher -- not the one we had on the stand, the other one?

A. That is correct.

The next witness is September 1st, 1934:

"The result of the twelve months' trading" --

of yes -- "resolved that the following expenditures, as

items and reserves as shown in the accounts of the

Company in respect of the period ended September

1934, be and are hereby approved: --

1. Payment of fees, commissions and bonuses as shown in Schedule "A" attached to these minutes and identified by the signature of the President.

2. Reserving the sum of five hundred dollars (\$500.00) in general expense account for the purpose of reimbursing the Directors for expenses incurred.

3. Reserving the sum of Two Thousand Dollars (\$2,000.00) in respect of the amount owing to Groat & Company Ltd. for travelling expenses incurred by Mr. F. J. Kettell on behalf of the Company.

such sum to be reimbursed by the Company to Groat

& Company Ltd.

4. Addition to tax reserve of the sum of Five

hundred and thirty-two dollars and thirty-seven

5. Transferring the sum of Sixteen Thousand, One

hundred and thirty-two dollars and thirty-seven



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Woodward,

"to Surplus Account.

6. Transferring the sum of Nineteen Thousand,  
Two Hundred and Fifty Dollars, (\$19,250.00) from  
Employees' Benefit Fund to General Reserve."

5 That is all there is about it; that is where it  
disappears?

A. That is where it disappears.

Q. This schedule that is attached, are those  
bonuses?

A. Yes.

Q. In addition to the regular salaries?

10 A. Yes.

Q. Of course, these will all be shown on the  
returns?

A. Yes. I think I have a little  
information with regard to payments out of the fund.

15 Q. Well, I want to have any information you  
have on it.

BY THE COMMISSIONER: Q. Tell me what principle  
they were made on, and so on? A. Just on the basis  
of necessity. I will explain as well as I can the  
20 items as I have listed them, if I may. April 23, 1930,  
\$500; April 23, 1930, \$1250. August 29, 1931, \$54.40.  
July 10, 1933, \$10, and the balance to general reserve.

BY MR. McRUER: Q. Now, what was the object of  
these payments, first, the \$500 one in April, 1930?

25 A. I am not sure of the distinction between the two  
myself. I am not sure what the second amount is. One  
of our employees died and left his wife in rather  
destitute circumstances and the cash payment was made  
to her. I think there was also the question of an  
30 employee -- I definitely remember this happening on  
one occasion, I think it happened on that occasion, an

to Shipping Account.

Q. Transferring the sum of nineteen thousand,  
two hundred and fifty dollars, (\$19,250.00) from  
Employees' Benefit Fund to General Reserve."

What is all there is about it; that is where it

disappears? A. That is where it disappears

Q. This schedule that is attached, are those

documents? A. Yes.

Q. In addition to the regular salaries?

A. Of course, those will all be shown on the

returns? A. Yes. I think I have a little

information with regard to payment out of the fund.

A. Well, I want to have any information you

have on it.

BY THE COMMISSIONER: Q. Tell me what principle

they were made on, and so on? A. Just on the basis

of necessity. I will explain as well as I can the

items as I have listed them, if I may. April 22, 1932

July 10, 1932, \$10, and balance to General Reserve.

BY MR. WARDEN: Q. Now, what was the object of

these payments, first, the \$500 one in April, 1930?

A. I am not sure of the distinction between the two

myself. I am not sure what the second amount is.

of our employees died and left his wife in rather

difficult circumstances and the cash payment was made

to her. I think there was also the question of an

employee - I think it was - this was the

employee. I think it was the first payment.



employee that was left with a house under an agreement of sale and I think we paid \$1250. I really am not sure of that, but those payments were all made to employees with the exception of the \$54.40, which was a loss on some securities we took over at their face value, employee's securities.

Q. The \$500 in April, 1930, and then there is \$1250 on the same date, April 23, 1930, and you say you think that was taking over an agreement for sale, or cashing out an agreement for sale on an employee's house?

A. Yes, I am not sure which of the payments was which, but both payments were in connection with the same employee.

Q. It was the same employee?

A. Yes, we made a cash payment to the widow and also took over the agreement of sale and our balance sheet still shows that agreement of sale on both sides.

Q. You took over an agreement of sale so that --

A. So that she would be free and could get her equity out.

BY THE COMMISSIONER: Q. You took over the vendor's--

A. We took over the purchaser's liability under the agreement of sale.

BY MR. McRUER: Q. You got the vendor's security?

A. And paid her her equity; we made ourselves liable under the agreement of sale to complete the purchase.

Q. Well, have your employees throughout these years since this fund was established in 1927 suffered no hardships of any kind that would call for payments

employee that was left with a house under an agreement  
of sale and I think we paid \$1250. I really am not  
sure of that, but those payments were all made to  
employees with the exception of the \$44.40, which  
was a loss on some securities we took over at that  
time.  
Q. The \$1000 in April, 1930, and then there is  
\$1250 on the same date, April 22, 1930, and you say  
you think that was taking over an agreement for sale  
for cashing out an agreement for sale on an employee's  
house?  
A. Yes, I am not sure which of the  
payments was which, but both payments were in connection  
with the same employee.  
Q. It was the same employee?  
A. Yes.  
Q. You took over the agreement of sale and also took over  
the agreement of sale and our balance sheet still shows  
that agreement of sale on both sides.  
Q. You took over an agreement of sale so that  
A. So that she would be free and could get her equity  
out.  
BY THE COMMISSIONER: Q. You took over the  
vendor's--  
A. We took over the purchase  
liability under the agreement of sale.  
BY MR. McNEIL: Q. You got the vendor's receipt  
under the agreement of sale to complete the purchase.  
Q. Well, have your employees throughout these  
years since this fund was established in 1927 and  
no hardship of any kind that would call for payments

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out of a fund of that sort, if that was the object of it? A. If they have they have not come to our notice.

Q. You know of no destitution at all?

5 A. I cannot recall any.

Q. Or cases of them dieing? A. There should not be for they have had very steady employment.

10 Q. Well, people even with steady employment, and large families sometimes -- A. Possibly it has happened but I have not heard of it.

Q. I just wondered, there must have been some of your families that have got old in the last 10 years? A. We are too young a company for that.

15 Q. Pardon? A. None of your employees have had to retire by reason of age, nor have any lost their efficiency by reason of age. We are too young a company, we are only about 12 years old.

20 Q. What would be the age limit in your company, do you know? A. We have no age limit.

Q. How old the employees are? A. Our oldest employee?

25 Q. Yes? A. I would be surprised to learn there were any -- it is a difficult statement to make -- I don't think there are any over 50.

Q. Any which? A. Over 50.

Q. Oh, I see, so one would not expect them to be retiring on account of old age then?

30 A. Hardly. I have these assessment notices if you care to get them into the record.

Q. Well, I will get those in just a moment,

out of a fund of that sort, it that was the object  
of it? A. If they have they have not come  
to our notice.

Q. You know of no destination at all?

A. I cannot recall any.

Q. Of cases of them dying? A. There

should not be for they have had very steady employment,  
and well, people even with steady employment,

and large families sometimes -- A. Possibly

it has happened but I have not heard of it.

Q. I just wondered, there must have been some

of your families that have got old in the last 10

years? A. We are too young a company for

that.

Q. None of your employees

have had to retire by reason of age, nor have any

lost their efficiency by reason of age. We are too

young a company, we are only about 12 years old.

Q. What would be the age limit in your company

do you know? A. We have no age limit.

Q. How old the employees are? A. Our oldest

employee?

Q. Yes?

A. I would be surprised

to learn there were any -- it is a difficult state-

Q. Any which? A. Over 50.

Q. Oh, I see, so one would not expect them

to be retiring on account of old age then?

A. Well, I have heard of some cases of it

care to get them into the record.

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thank you. In your comparative balance sheet of liabilities there is an item of \$111,461 secured by mortgage to Grout & Company, Limited; that was in the year 1927. In 1928 it was reduced to \$37,729 and in 1929 \$2,289. Was that paid off out of profits or capital or how was that? A. That was additional capital raised in that year.

Q. Well, the additional capital I don't think was raised until 1929? A. Wasn't it re-paid in 1929? No, it could not have been, I am sorry.

There is a small balance re-paid after 1929.

Q. How was that reduced from \$111,461 in about two years? A. Unless there was some liquidation of inventory in that period, presumably by profits -- no, the inventory went up during that period.

Q. Well, earlier this afternoon I was trying to get an enumeration of the profits the company had made and the disburseals; is it that the company in addition to the dividends they have paid and the reserves they have set up have paid off to the parent company about \$110,000 out of the profits?

A. Perhaps I was incorrect in using the rather rough expression "from profits". The question of the repayment of liability is a question rather of cash balance on hand. The cash balance becomes on hand by reason of several different circumstances, among them liquidation of inventories, the accumulation of profits and the accumulation of depreciation

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... there is an item of \$11,461 accounted by  
mortgage to Grant & Company, Limited; that was in the  
year 1927. In 1928 it was reduced to \$27,729 and in  
1929 \$2,132. Now that paid off out of profits or  
capital or how was that? A. That was additional

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... till, the additional capital I don't think  
was raised until 1929? A. When it is re-paid in  
1929? No, it could not have been, I am sorry.

15

... How was that reduced from \$11,461 in  
about two years? A. Unless there was  
some liquidation of inventory in that period, presu-  
mably by profits -- no, the inventory went up during  
that period.

20

... Get an enumeration of the profits the company had  
made and the disbursements; is it that the company in  
addition to the dividends they have paid and the  
reserves they have set up have paid off to the parent  
company about \$10,000 out of the profits?

25

... Perhaps I was incorrect in stating the rather rough  
repayment of liability is a question rather of cash  
balance on hand. The cash balance becomes on hand

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... then liquidation of inventory, the accumulation  
of profits and the accumulation of liquidation



reserves. There is no question of additional profits because the liability is reduced.

Q. That would be probably paid off out of depreciation reserve? A. Out of additional cash become available having no bearing on profits at all.

Q. I don't want us to pyramid anything that would probably be included in the figure that we had? A. It would undoubtedly be included in some of those figures.

Q. Because we are taking the balance at the credit of the depreciation reserve as in 1935 --

A. Are you not confusing book entries with cash balances, Mr. McRuer?

Q. Yes, I think my former figure <sup>the</sup> is/correct one because the balance gives the result. I suggested ~~if~~ you were able to pay off practically all of your machinery and own it outright by having written it off in depreciation? A. That is correct. That

is correct, there is no pyramiding between those two items at all.

Q. So that we won't pyramid that. The money that you have used to write off goodwill might have been used for that purpose? A. Well, that, of course, would be profits.

Q. It is profits, but if you have it in the reserve and write it off the goodwill you might use that money to pay for your liability to the parent company? A. Yes.

Q. Now, you had something about taxes. Now, your total assessment is what; would you just tell us

reserves. There is no question of additional

profits because the liability is reduced.

depreciation reserve? A. Out of additional cash

become available having no bearing on profits at all.

A. I don't want to be paid anything that

would probably be included in the figure that we have

A. It would not be included in some of those

figures.

A. Because we are using the balance of the

credit of the depreciation reserve as in 1935 --

A. Are you not carrying back entries with each

balance, Mr. Money?

A. Yes, I think my former figure is correct

one because the balance gives the result. I suggested

that you were able to pay off practically all of your

machinery and own it outright by having written it off

in depreciation? A. That is correct. That

is correct, there is no pyramiding between these two

items at all.

A. So that we won't pyramid that. The money

that you have used to write off goodwill might have

been used for that purpose? A. Well, that, or

course, would be profits.

A. It is profits, but if you have it in the

reserve and write it off the goodwill you might use

that money to pay for your liability to the parent

company.

A. Well, you can't write off goodwill twice, can

your total assessment is what; would you just tell us

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from the bills? A. The total property assessment is \$83,300 and in addition to that there is 60% business tax based on \$82,000 amounting to \$49,200 or a total of \$131,500.

5

BY MR. KELLOCK: Q. That is on the same property; you do not have two assets for that? A. No, the total assessment is these two figures added together.

10

BY MR. McRUER: Q. I want to know what your assessment is for school taxes. That gives us the assessed value of your property. Then, if we have your commutation, the fixed assessment is the assessment on which you pay the ordinary rate?

15

A. A fixed assessment of \$20,000 is the figure on which we pay city taxes; the figure on which we pay school taxes is the figure I have just read out which, however, as has just been pointed out, does show 160% of the assessed value of the property.

20

Q. The assessment that is on your property is how much; what is the assessed value of your property?

A. \$83,300 including land.

Q. \$83,300; that is without business assessment?

A. That is correct.

25

Q. And for the purpose of your general rate it is commuted at \$20,000? A. That is correct.

Q. And it is included in your 1935 balance sheet at \$132,700 for the buildings and \$398,227.55 for the plant -- the land --

30

BY MR. KELLOCK: Q. That is at cost? A. At cost.

BY MR. McRUER: Q. At cost, quite right; now,

Q. The assessment that is on your property is how much; what is the assessed value of your property?  
A. \$83,300 including land.  
Q. \$83,300; that is without business assessment?  
A. That is correct.  
Q. And it is included in your 1935 balance sheet at \$12,700 for the buildings and \$98,827.55 for the plant -- the land --  
A. Yes.  
Q. Now, Mr. Woodward, what is the assessed value of your property?  
A. The assessed value of your property is 100% of the assessed value of the property.  
however, as has just been pointed out, does show taxes is the figure I have just read out which, we pay city taxes; the figure on which we pay school A. A fixed assessment of \$20,000 is the figure on which ment on which you pay the ordinary rates?  
Your computation, the fixed assessment is the assessed value of your property. Then, if we have assessment is for school taxes. That gives us the MY MR. McNEIL: I want to know what your the total assessment is these two figures added together; you do not have two assets for that? A. No, BY MR. KENNEDY: That is on the same property or a total of \$121,500.  
60% business tax based on \$82,000 amounting to \$49,200 assessment is \$83,300 and in addition to that there is



will you turn, please, to the last page of your return which is a summary of wages and classification

A. I have it.

Q. Now, the total number of employees you apparently had receiving under \$1,000 in 1926 was 76?

A. Correct.

Q. In 1927, 90; 1928, 99; 1929, 117; 1930, 120; 1931, 136; 1932, 172; 1933, 168; 1934, 183; 1935, 196?

A. Those figures are correct.

Q. Will you look at the year 1928, please.

In that year you had 99 employees receiving under \$1,000, and they received in wages \$77,996.55?

A. That is correct.

Q. That is right? A. That is correct.

Q. In the year 1935 you had 196 employees and they received \$119,346.25? A. That is correct.

Q. 196 employees, if you add two more you would have had exactly twice as many as in the year 1928?

A. That is true.

Q. If you had paid twice as much in the year 1935 as you did in 1928 you would have paid in round figures \$155,000? A. That is correct.

Q. But you paid \$119,000 so that apparently your average wage rate for those receiving under \$1,000 was very much lower in 1935 than it was in 1928?

A. In that connection, of course, it should be remembered there were more earning over \$1,000.

Q. Yes, there are a few more; there were 25 earning over \$1,000 in 1928 and in 1935 there were 2

Will you turn, please, to the last page of your

return which is a summary of wages and classification

A. I have it.

Q. Now, the total number of employees you have

of 1944 was 787

A. Correct.

Q. In 1947, 90; 1948, 99; 1949, 117; 1950, 120;

1951, 124; 1952, 127; 1953, 130; 1954, 133; 1955,

136.

Q. Will you look at the year 1950, please.

In that year you had 99 employees receiving under

\$1,000, and they received in wages \$17,486.25

A. That is correct.

Q. What is that?

A. That is correct.

Q. In the year 1950 you had 99 employees and

they received \$17,486.25

A. 195 employees, if you add two more you would

have had exactly twice as many as in the year 1949

A. That is true.

Q. If you had paid twice as much in the year

1949 as you did in 1948 you would have paid in

round figures \$15,000

A. That is correct.

Q. But you paid \$19,000 so that apparently

your average wage rate for those receiving under

\$1,000 was very much lower in 1949 than it was in

A. In that connection, of course,

remembering there were more employees

1949.

Q. Yes, there are a few more; there were 85

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There were two more?

A. In 1928 there were 32

and in 1935 there were 39.

Q. I beg your pardon; on my record for over  
one thousand --

A. I think you are just  
5 reading the first line only. The first three lines  
are all mill staff.

Q. I beg your pardon; I am dealing with mill  
workers?

A. They are all mill workers,  
Mr. McRuer; all the first three lines are mill workers

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(page 9330 follows)

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There are two lines in the first line only. The first three lines are all will start.

Q. I beg your pardon; on my record for even

one thousand -- A. I think you are just

reading the first line only. The first three lines

are all will start.

Q. I beg your pardon; I am dealing with will

workers? A. They are all will workers.

Mr. McRae; all the first three lines are will workers.

(page 2850 follows)

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Q. In 1925 there are 25 and in 1935 there are 27.  
That is correct? A. Yes, if you use the phrase  
in the same meaning as is here.

Q. You cannot take mechanical staff and mix them  
5 with mill workers and make a proper sort of ef comparison.  
I am taking people who work in a productive capacity,  
that is, direct productive? A. With that  
definition of mill workers your figures are correct.

Q. So what explanation is there or it may be a  
10 question I will have to ask Mr. Watson and not you.  
If it is just say so. What explanation is there  
for the decided decrease in wages per man between the  
years 1928 and 1935? A. That is a matter

15 which it seems you should discuss with Mr. Watson,  
Mr. McRuer.

Q. I will deal with the Valleyfield financial  
records now. We have the capital structure of the  
Valleyfield Company. Apparently the net profits  
20 for the years 1934, 1935, amounted to \$62,956.73.

THE COMMISSIONER: Is the same sort of business  
carried on in Valleyfield and here.

MR. McRUER: Yes.

25 THE COMMISSIONER: We have not been told what the  
business is.

MR. McRUER: Q. Can you tell me what sort of  
business is carried on by the Valleyfield Company?

30 A. The manufacture of fabrics, chiefly of silk and  
rayon.

Q. They have as a matter of fact gone into the

In 1935 there are 25 and in 1936 there are 27.

That is correct, is that right?

in the same meaning as is here.

You cannot take mechanical staff and mix them

the mill workers and make a proper sort of comparison.

I am taking people who work in a productive capacity,

that is, direct productivity?

definition of mill workers your figures are correct.

So what explanation is there or it may be a

question I will have to ask Mr. Watson and not you.

If it is just say no. What explanation is there

for the decided decrease in wages per man between the

years 1938 and 1939?

which it seems you should discuss with Mr. Watson,

I will deal with the Valcayfield financial

records now. We have the capital structure of the

Valcayfield Company. Apparently the net profits

for the years 1934, 1935, amounted to \$52,906.75.

THE COMMISSIONER: Is the same sort of business

carried on in Valcayfield and here.

THE COMMISSIONER: We have not been told what the

business is.

the business is the same as the one carried on

business is carried on in the Valcayfield Company?

The business is of textiles, chiefly of silk and



rayon business in rather a large way there, have not they? A. They are probably making more than we have. Both companies have been making rayon fabric for some time.

5

Q. I remember in the spring we had the figure of purchase of rayon yarn was very much heavier at Valleyfield than at St. Catharines and I wondered if you had divided the work in any way?

10

A. There is no division at all.

Q. The same character of cloth? A. Made on the same machines but with simply different raw materials.

Q. More exclusive styles in St. Catharines?

A. No, there is not that distinction.

15

Q. Well, in 1934, that would be the first complete year of business at Valleyfield, the profits appears to have been \$133,711.62, that is, gross profits before charging for depreciation? A. That is correct.

20

Q. And their selling and Administrative Expenses including selling and administration and office salaries - directors' fees, \$5,495.07. They pay pretty heavy directors' fees down there, do not they? A. There are seven directors, does not amount to very much per director.

25

Q. Are the same directors there the same as the directors here? A. Four of them; three are not common directors.

30

...in fact a large way there, have not  
...the same thing in mind as you

no have. Both companies have been making money

for some time.

I remember in the spring we had the figure

of increase of rayon yarn was very much smaller at

Wellesford than at St. Catharines and I was

you had divided the work in any way?

A. There is no division at all.

The same quantity of work is done in the

same machines but with slightly different raw materials.

More extensive styles in St. Catharines?

A. No, there is not that distinction.

A. Well, in 1934, that would be the first complete

year of business at Wellesford, the profits appear

to have been \$135,711.62, that is, gross profits

before charging for depreciation? A. That is

correct.

Q. And their selling and administrative expenses

including selling and administration and office

expenses - depreciation, taxes, insurance, etc. are

very heavy expenses? (See also page 10, line 10)

A. There are for a small company, especially?

seven directors, does not amount to very much per

share.

A. Are the directors there the same as the

A. Four of them; three are



Q. Preliminary expenses written off, \$4,914.18-  
what was the nature of the preliminary expenses?

A. The usual preliminary expenses connected with the  
establishment of a company, such as legal expenses,  
etc.

Q. Do not suggest that was just part of the legal  
expenses?

A. You are not suggesting that the  
legal expenses are the only preliminary expenses, are  
you?

Q. Loss on sale of capital assets, reserved for  
income taxes - so that the net profit for the period,  
after taking care of those items, amounts to  
\$20,914.29?

A. That is correct.

Q. No dividend declared that year?

A. No.

Q. Then the year 1935, the fiscal year ending  
August 30th, 1935, the gross profit apparently was  
\$161,468.49. After providing for selling expense--

A. Excuse me, that is liable to be read into the  
Minutes, that figure After Providing for - would you  
mind re-reading that?

Q. Before charging depreciation?

A. Before  
charging depreciation of any of the items shown  
there?

Q. Yes. And then the items charged against  
that are Selling and Administrative salaries,  
Commissions, Expenses, etc.; provincial Taxes (other  
than income taxes); and Bad Debts Written Off,

\$55,286.21?

A. Selling and Administration

Q. I am assuming that the preliminary expenses are the same as the actual expenses.

A. The actual preliminary expenses connected with the

establishment of a company, such as legal expenses,

etc.

Q. Do not suggest that was just part of the legal

expenses? A. You are not suggesting that the

legal expenses are the only preliminary expenses, are

you?

A. Loss on sale of capital assets, reserved for

income taxes - so that the net profit for the period,

after making care of those items, amounts to

nothing.

Q. No dividend declared that year? A. No.

Q. The year 1944, the taxes were paid?

A. Yes, 1944, the taxes were paid.

Q. After providing for selling expense--

\$121,488.48. A. Excuse me, that is liable to be read into the

minutes, that figure after providing for - would you

also be providing for

Q. I am assuming that the preliminary expenses are the same as the actual expenses.

charging depreciation of any of the items shown

there?

A. Yes, the items shown charged against

that was selling and administrative expenses,

including, insurance, etc., professional fees, etc.

Q. I am assuming that the preliminary expenses are the same as the actual expenses.

A. Yes, the items shown charged against

that was selling and administrative expenses,

including, insurance, etc., professional fees, etc.

Q. I am assuming that the preliminary expenses are the same as the actual expenses.

A. Yes, the items shown charged against



expenses, Provincial Taxes and a number of other items, including bad debts.

Q. Remuneration to Executive Officers, \$13,489.90. Remuneration to Directors, \$5,763.50. Bond Interest, \$6,000. Dominion and Provincial Income Taxes, \$7,881.69, leaving a net profit for the year of \$42,042.44. That was carried into surplus account. A dividend of \$1.00 per share was declared on the stock, \$20,000. Transferred to General Reserve Fund, \$20,000, and the balance transferred to balance sheet, \$22,956.73. Now, that dividend of a dollar a share was on the 20,000 shares of no par value?

A. That is correct.

Q. Now, if you will look, please, at your return, which is Analyses of the Profit and Loss Account?

A. Yes.

Q. Your wages are divided into Productive and Non-Productive. The Productive wages being, I take it, those that are actually employed in fabricating materials in the mill? A. Yes, I would say---

Q. The non-productive wages being the mechanics and millwrights and engineers? A. Except in some cases where we cannot pay for production by piece work.

Q. Most of your work is paid on piece work?

A. I would say most of it, yes.

Q. In the year 1934 your productive wages amounted

expenses, Provincial taxes and a number of other items including bad debts.

4. Remuneration to Executive Officers, \$13,499.00.  
Remuneration to Directors, \$8,763.00. Bond Interest,

\$6,000. Dominion and Provincial Income Taxes,

\$7,381.98, leaving a net profit for the year of

\$42,042.44. That was carried into surplus account.

A dividend of \$1.00 per share was declared on the

shares, \$60,000.

Bond, \$30,000, and the balance transferred to balance

sheet, \$12,042.44.

A share was on the 30,000 shares of no par value?

Yes, it was.

Q. Now, if you will look, please, at your return,

which is analysis of the Profit and Loss account?

A. Yes.

Q. Your wages are divided into Productive and

Non-Productive. The Productive wages being,

I take it, those that are actually employed in fabri-

cating materials in the mill? A. Yes, I would

say---

Q. The non-productive wages being the mechanics

and millwrights and engineers? A. Except in some

cases where we employ the millwright in place

of some of our men in some cases.

A. I would say that at the present



to \$71,098.00. That is right? A. That is correct.

Q. At Valleyfield? A. Yes.

Q. And the gross profits before charging for depreciation amounted to \$133,711.62? A. The

gross profits before providing for depreciation and a number of other items, yes.

Q. And we may take off that \$57,793, which is Selling, Administration Expense and Commissions, etc. That would leave us about \$76,000. So that your gross profits, less selling and Administration Expense, amounted to more than the total productive wages, apparently. Now, your productive and non-productive wages in 1934 amount to approximately \$115,000, did they not? A. Non-productive wages?

Q. Yes, the productive and non-productive?

A. The two together?

Q. Yes, about \$115,000? A. That is correct.

Q. Now, come to 1935, the productive wages for that year amounted to \$75,735.15. The non-productive wages amounted to \$57,686.17. A. I don't know just what distinction you are drawing between productive and non-productive, probably not the one that should actually be drawn. Those productive and non-productive wages are all drawn by mill employees and in a great many cases employees are not held to be non-productive in spite of the fact they are not foremen. The inference you draw is probably incorrect, if I understand it correctly.

to \$71,098.00. That is right? A. That is correct

Q. At Valleyfield? A. Yes.

Q. And the gross profits before charging for

depreciation amounted to \$158,711.63? A. The

gross profits before providing for depreciation and

a number of other items, yes.

Q. And we may take off that \$57,755, which is

selling, administration expense and commissions, etc.

That would leave us about \$70,000. So that your

gross profits, less selling and administration expense

amounted to more than the total productive wages,

wages in 1934 amount to approximately \$115,000.

Q. Yes, the productive and non-productive?

A. The two together?

Q. Now, come to 1935, the productive wages for

that year amounted to \$75,755.15. The non-productive

wages amounted to \$57,000.17. A. I don't know

just what distinction you are drawing between

productive and non-productive, probably not the one

that should actually be drawn. Those productive

and non-productive wages are all drawn by mill

employees and in a great many cases employees are not

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Haywood

Q. Well, I can take the wages of the mill workers for that matter. All I am getting at is your own classifications here and we will just deal with it as it is. Anything that you have to observe in connection with it I will be very glad to have. This is an analysis of your profit and loss account and I am taking the profit and loss account, the profit that is made on the fabric and seeing what proportion the employees got out of it at the moment?

A. Quite.

Q. And what the employees got. Now, to take the year 1935, the productive wages amount to \$75,735.15 and the non-productive wages to \$57,686.17 or making a total of about \$133,000 in round figures. The gross profit in 1935 before charging for depreciation, selling and administration expense, etc. amounted to \$161,468.49. Now, there is no doubt about that as far as we have gone, is there?

A. \$161,468.49?

Q. Yes, \$161,468.49? A. Returns shows a figure of \$130,000.00. I am unable to confirm your figure without seeing the Balance Sheet.

Q. (Hands balance sheet to witness): A. This was the figure before charging depreciation and these various other items, \$161,468.49.

Q. Now, the selling, administration salaries, commissions, provincial taxes, other than income taxes, bad debts written off and reserves - that is

Haywood 3835

Q. Well, I can take the wages of the mill workers  
for that matter. All I am getting at is your own  
classification here and we will just deal with it as  
it is. Anything that you have to observe in con-  
nection with it I will be very glad to have. This  
is an analysis of your profit and loss account and  
I am taking the profit and loss account, the profit  
that is made on the fabric and seeing what proportion  
the employees get out of it at the moment?

A. Quite.

Q. And what the employees got. Now, to take the  
year 1935, the productive wages amount to \$75,755.15

and the non-productive wages to \$27,306.17 or

making a total of about \$103,061.32 in round figures.

The gross profit in 1935 before charging for

depreciation, selling and administration expenses,

etc. amounted to \$151,468.49. Now, there is no

doubt about that as far as we have gone, is there?

A. \$151,468.49?

Q. Yes, \$151,468.49.

a figure of \$150,000.00. I am unable to confirm

your figure without seeing the balance sheet.

Q. Would you please check the balance sheet?

A. Yes, I will check the balance sheet.

Q. And the profit and loss account?

A. Yes, I will check the profit and loss account.

Q. And the balance sheet?

A. Yes, I will check the balance sheet.



not broken down here - is \$55,286.21. The next item I want to draw your attention to is Executive Officers, Remuneration to Directors, which comes to \$19,100 in round figures. \$19,100 as against \$75,000 for productive workers. That seems to be rather a high comparison considering where the consumer's dollar goes? A. I think perhaps I have to refer to that question of productive and non-productive wages. May I explain what the distinction is there? It is distinction purely in connection with overhead system. Some wages are charged directly in relation to the operation. Some are charge indirectly through an overhead. Now, the only difference between productive and non-productive is not the class of worker and it is entirely unfair to say that productive labour is the only labour in which you are interested.

Q. Well, all right - with that we may put it this way: \$19,000.00 in Executive Officers' salaries and Directors' fees as compared with about \$133,000.00 in both non-productive and productive wages?

A. If you add the two together that would be much fairer.

THE COMMISSIONER: Q. I suppose if you talk of productive workers it would simply be those who are making something? A. In a general way that is true but not always.

Q. No, a lot of people contribute to the object?

not broken down here - is \$55,286.21. The next

item I want to draw your attention to is Executive Officers, remuneration to Directors, which comes to

\$19,100 in round figures. \$12,100 as against

\$75,000 for productive workers. That seems to be

rather a high comparison considering there the con-

sumer's dollar goes? Q. I think perhaps I

have to refer to that question of productive and non-

productive wages. Now I explain what the distinction

is there? It is distinction purely in connection

with overhead system. Some wages are charged

directly in relation to the operation. Some are

charged indirectly through an overhead. Now, the only

distinction between productive and non-productive is

not the class of worker and it is entirely unfair to

say that productive labour is the only labour in which

you are interested.

A. Well, all right - with that we may put it this

way: \$19,010.00 in Executive Officers' salaries and

Directors' fees as compared with about \$138,000.00

in both non-productive and productive wages?

A. If you add the two together that would be much

larger.

THE CHAIRMAN: Q. I suppose if you talk of

productive workers it would signify be those who are

making something? A. In a general way that is

true but not always.

Q. Now, a lot of people contribute to the cost



A. No, the definition goes a little wider than that. Where we do piece work the operation is charged in our costs on piece work basis even though they may be actually producing something. If the operation is such not to lend itself readily to piece rate work they will be charged time.

Q. Time labour is considered non-productive?

A. Yes, time labour is considered non-productive. That is why I make that clear.

MR. McRUER: Q. The proper way to make a comparison is with the sum of the two? A. Yes, that is quite fair.

Q. And figure I want to make comparison with is amount paid Directors' fees and Executive Officers of this subsidiary company is with the dividends on the common stock - the amount paid to directors and Executive Officers amounts to \$19,000.00, some odd, and the dividend is \$20,000 or making comparison, the amount set aside for depreciation, the amount paid to directors and Executive Officers is \$19,000.00 some odd, while the amount set aside for depreciation is \$31,000. or, again, the amount for whole selling expense amounts to \$55,000.00 and the amount set aside for Directors and Executive Officers is \$19,000. Anyway you like to compare them does not it seem very extravagant for directors and officers of a subsidiary company---

MR. KELLOCK: I took down that figure, \$55,000,

boonyah

7506



not only including selling expense, income tax and---

MR. McRUER: Quite, that makes it that much worse,--  
selling expense, administration salaries, bad debts  
written off.

5 THE COMMISSIONER: Depends on how far down you  
go when talking of Executive salaries, how many  
people that embraces.

MR. McRUER: Q. What is included in executive  
10 salaries, do you know?

BY THE COMMISSIONER: Q. Yes, how is the \$19,000  
made up? I mean, what officers share that, how many  
of them? A. The item is one in accordance  
15 with the recent revision in the Companies' Act,  
and I think does not cover mill supervision.

MR. McRUER: Q. Well, probably during the adjourn-  
ment you could just give us the different offices  
that are held by those that participate in the  
20 \$13,489.90. Would you do that?

A. You mean before tomorrow morning?

Q. Yes? A. I would be glad to do that.

-- Adjourned at 5.10 P.M. to resume at 10 A.M.  
Wednesday, October 14, 1936.

25 -----

Exhibit 100-100000

not only including salaries, insurance, and other

MR. MURPHY: Quite, that makes it that many more

selling expense, administrative salaries, and other

risen off.

THE COMMISSIONER: Depends on how far down you

go when talking of Executive salaries, how many

people that salaries.

MR. MURPHY: What is included in executive

salaries, do you know?

MR. MURPHY: Yes, now is the \$19,000

made up? I mean, what officers share that, how many

of them? A. The firm is one in accordance

with the recent revision in the Companies' Act,

and I think does not cover all supervision.

MR. MURPHY: A. Well, probably during the adjournment

next year could just give us the different officers

that are held by those that participate in the

\$19,489.80. Would you do that?

A. Yes? I would be glad to do that.

-- Adjourned at 2.10 P.M. to resume at 10 A.M.  
Wednesday, October 14, 1936.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

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A.S. Whiteley, Secretary.

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SIXTY - EIGHTH DAY

(October 13, 1936)

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Robert Brydie,  
Official Reporter.

1914

WILLIAM J. BRYDIE

WILLIAM J. BRYDIE

1914

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WILLIAM J. BRYDIE

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

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A.S. WHITELEY, Secretary,

A p p e a r a n c e s:

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J.C. McRuer, K.C. and )

E. Beauregard, K.C. ) Commission Counsel,

J.P. Lanctot, K.C. )

and )

R. L. Kellock, K.C. )

For Special Committee  
on Primary Textile  
Industries.

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C.G. Heward, K.C. )

Aime Geoffrion, K.C. )

and )

C.T. Ballantyne, )

For Dominion Textile  
Company.

S.G. Dixon, K.C.,

For Courtaulds, Limited.

L.A. Forsyth, K.C.

For Canadian Celanese Ltd.  
and Canadian Silk Products  
Limited.

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LIST OF COMPANIES IN THE SECTOR

THE CANADIAN PACIFIC RAILWAY COMPANY

(Incorporated in Canada)

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THE CANADIAN PACIFIC RAILWAY COMPANY

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LIST OF COMPANIES IN THE SECTOR

THE CANADIAN PACIFIC RAILWAY COMPANY (Incorporated in Canada)

THE CANADIAN PACIFIC RAILWAY COMPANY  
 or Primary Textile Industries

THE CANADIAN PACIFIC RAILWAY COMPANY  
 for Pacific Textile Company

THE CANADIAN PACIFIC RAILWAY COMPANY, Limited

THE CANADIAN PACIFIC RAILWAY COMPANY, Limited  
 and Canadian Silk Products Limited

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St. Catharines, Ontario  
October 14th, 1936.

-- The Commission resumed at 10 A.M.

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CYRIL F. WOODWARD, (Examination -

BY MR. McRUER, (resumed):

Q. Mr. Woodward, you were going to get me the classification of executive salaries that are included in the Valleyfield report we were dealing with last night? A. Yes. The figure that you are interested in is that \$13,489.90, in 1935. That covers two Executive Officers only, two full-time Executive officer

Q. I beg your pardon? A. That covers two full-time Executive Officers.

Q. Yes. Well, when you say "Full-time Executive Officers," are they Executive Officers who are devoting their full time to the Valleyfield Mill, or devoting their time between the Valleyfield mill and Grout's Limited, at St. Catharines? A. Devoting their time between Valleyfield and Grout's, full time to the two companies jointly.

Q. Yes. So that you distribute the executive salaries between Grout's Limited at St. Catharines and the Valleyfield Silk Mills, the subsidiary?

A. That is correct. In addition to that, there is a basic salary that is paid to each of those two individuals, and that is later split between the two companies. In addition to that, there is a profit-sharing arrangement with both companies.

October 14th, 1938.

-- The Commission resumed at 10 A.M.

OWELL T. WOODWARD, (Examination -

BY MR. WOODWARD, (re-examined):

A. Mr. Woodward, you were going to get me the

classification of executive salaries that are included

in the Valleyfield report we were dealing with last

night? A. Yes. The figure that you are interested

in is that \$11,400.00, in 1935. That covers two

executive officers and two full-time executive officers

A. I beg your pardon? A. That covers two full-

time executive officers.

A. Yes. Well, when you say "full-time executive

officers," are they executive officers who are devoting

their full time to the Valleyfield Mill, or devoting

their time between the Valleyfield Mill and Grout's

limited, at St. Catharines? A. Devoting their time

between Valleyfield and Grout's, full time to the two

companies.

A. Yes. So that you distribute the executive

salaries between Grout's limited at St. Catharines and

the Valleyfield Mill, the subsidiary?

A. That is correct. In addition to that, there is

a small salary that is paid to each of those two

companies, and that is their split between the two

companies. The split is 50-50.



Q. Oh. Well now, just let me be sure that we have got all that on record. Will you please look at the last page of the return to the Commission?

A. The Valleyfield return?

Q. The Valleyfield return, yes. A. Yes, I have it.

Q. Well, you see there are two executive officers dealt with on that last page? A. That is correct.

Q. Are those the two officers you referred to? A. Those are the two, yes.

Q. Yes. And, in addition to the amount shown on page 19 of your return to Mr. Howson, you say there are salaries paid, and a profit-sharing bonus?

A. Is this page 19?

Q. Yes, the last page. A. Well, the figures shown on the last page of the Valleyfield returns are only the profit-sharing amounts paid by Valleyfield. The salaries have, in all cases, been paid directly by Grout's Limited to the officers concerned, and later divided between the two companies. In this return, in Grout's, I have included the amounts originally paid to the officers by Grout's, similarly with Valleyfield.

Q. So that if we add the amounts shown on the last page of the Valleyfield return to the amount shown on the last page of Grout's return, to the same two officers, we will have the total amount received by those two officers? A. That is correct.

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Q. Oh, well now, just let me be sure that we have

got all that on record. Will you please look at

the last page of the return to the Commission?

A. The Valleyfield return?

Q. The Valleyfield return, yes. A. Yes, I have.

Q. Well, you see there are two executive officers

dealt with on that last page? A. That is correct.

Q. Are those the two officers you referred to?

A. Those are the two, yes.

Q. Yes. And, in addition to the amount shown

on page 19 of your return to Mr. Howson, you say there

are salaries paid, and a profit-sharing bonus?

A. Is this page 19?

Q. Yes, the last page. A. Well, the figures

shown on that page of the Valleyfield return.

are only the profit-sharing amounts paid by Valleyfield.

The salaries have, in all cases, been paid directly

by Groat's Limited to the officers concerned, and later

divided between the two companies. In this return,

in Groat's, I have included the amounts originally

paid to the officers by Groat's, similarly with

Q. So that if we add the amounts shown on the last

page of the Valleyfield return to the amount shown

on the last page of Groat's return, we have the same two

those two officers? A. That is correct.



Q. From the two mills? A. That is correct.

Q. When we have those two sums, does that include salaries, profit-sharing, and any bonuses whatever?

A. That includes every type of remuneration whatever.

Q. Except directors' fees? A. Directors' fees are not payable to the two Executive Officers.

Q. Oh, they are not paid to the two Executive Officers? A. No, sir.

Q. So that it is quite simple for us to get that division when Mr. Howson comes to it? A. Quite.

Q. Then I hand you the 1935 statement of Grout's Limited, and the 1935 statement of Valleyfield, so that you may have them before you? A. When you say "statement" you mean Profit and Loss Account, do you?

Q. Profit and Loss Account, yes. The total Executive salaries for the two Companies, that is, the parent company and the subsidiary, together with the Directors' fees for the two companies, are, I make it, \$35,683.00 for the year 1935. A. How much did you say, Mr. McRuer?

Q. \$35,683.00? A. I haven't the exact figure, but that is approximately correct.

BY THE COMMISSIONER: Q. Do you know how that sum is divided? A. Between the individuals, sir?

Q. Yes? A. I don't know now, but, of course, we have the records. I can tell you how many individuals it covers, of course. With the exception

Q. From the two mills? A. That is correct.  
Q. When we have those two sums, does that include salaries, profit-sharing, and any bonuses whatever?  
A. That includes every type of remuneration whatever.  
Q. They are not paid to the two Executive Officers.  
A. Yes, they are not paid to the two Executive Officers.  
Q. No, it is quite simple for us to get that division when Mr. Rowson comes to it? A. Quite.  
Q. Then I want you the 1935 statement of Grant's limited, and the 1935 statement of Valleyfield, so that you may have them before you?  
A. When you say "statement" you mean Profit and Loss Account, do you?  
A. Profit and Loss Account, yes. The total Executive salaries for the two companies, that is, the parent company and the subsidiary, together with the Directors' fees for the two companies, are, I make it, \$35,683.00 for the year 1935.  
A. Now much did you say, Mr. McNair?  
A. \$35,683.00? A. I haven't the exact figure, but that is approximately correct.  
BY THE COMMISSIONER: Q. Do you know how that sum is divided?  
A. Between the individuals, sir?  
A. Yes? A. I don't know now, but, of course, we have the records. I can tell you how many individuals it covers, of course, with the exception

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I think, that there should be a 2, I think those figures are correct, Mr. McRuer.

BY MR. McRUER: Q. Then it is \$35,682?

A. Yes.

5 Q. Now, we can give his lordship this sub-division: Directors' fees for the Valleyfield Company were \$5,763.50?

A. That is correct.

10 Q. Executive salaries for the Valleyfield Company, \$13,489.90?

A. That is correct.

Q. Executive salaries for Grout's Limited, \$13,762.60.

A. That is correct.

15 Q. And Directors' fees for Grout's Limited, \$2,666?

A. That is also correct.

20 Q. And, with the exception of Directors' fees, the two Executive Officers participating are the same two executive officers that participate in the salaries from Grout's---

A. Yes, the Executive officers

are the same in both companies.

Q. Yes. I think that is all at the moment, Mr. Woodward.

THE COMMISSIONER: Mr. Kellock?

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I think, that there should be a 2, I think there

should be a 2, I think there

BY MR. WOODWARD: Q. Is it in 1885, 1887

A. Now, we can give his lordship this sub-division

directors' fees for the Valleyfield Company were

\$10,755.00? A. That is correct.

A. Executive salaries for the Valleyfield Company,

\$10,455.00? A. That is correct.

A. Executive salaries for Grant's Limited, \$10,755.00

A. That is correct.

A. and directors' fees for Grant's Limited,

A. That is also correct.

A. And, with the exception of directors' fees,

the two Executive officers participating are the same

two Executive officers that participated in the earlier

participation?

A. Yes, the same is both companies.

A. Yes. I think that is all of the money.

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Re-EXAMINATION BY MR. KELLOCK:

5 Q. Mr. Woodward, you were telling my friend with regard to Grout's Limited, about 3,000 common shares payable to the English Company, of the par value of \$25 each, \$75,000, for a certain consideration. Would you particularize a little bit more as to what that consideration was? A. Those 3,000 shares of \$25.00 par value each were allotted to the English Company, under a contract, to cover three different items. One was the goodwill of the Canadian market to which the English company had been selling for a number of years. And, in that connection, it should be pointed out, that Mr. A.D. Fisher, who had been the sales agent of the English Company for a number of years, became our sales agent, so that there was no interruption in representation at all.

20 Q. Approximately how many years had the English Company been in the Canadian market? A. To my knowledge ten, and I know it was over that. I would say, from 10 to 15 years, at least.

25 Q. And Mr. Fisher was representing the English Company, and your company took over that representation when it was organized? A. That is correct.

THE COMMISSIONER: They took over the representative, - he continued with this company.

30 MR. McRUER: They started to manufacture here.

MR. KELLOCK: I am speaking before Grout's Limited were organized.

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Woodward

INTERVIEW WITH MR. WOODWARD

Q. Mr. Woodward, you were talking my friend with regard to Groc's Limited, about 3,000 common shares payable to the English Company, of the par value of \$15 each, \$45,000, for a certain consideration. Would you particularize a little bit more as to what that consideration was? A. Those 3,000 shares of \$15.00 par value each were allotted to the English Company, under a contract, to cover three different items. One was the goodwill of the Canadian market to which the English company had been selling for a number of years. And, in that connection, it should be pointed out, that Mr. A.D. Fisher, who had been the sales agent of the English Company for a number of years, became our sales agent, so that there was no interruption in representation at all. Q. Approximately how many years had the English Company been in the Canadian market? A. To my knowledge ten, and I know it was over that. I would say, from 10 to 15 years, at least. Q. And Mr. Fisher was representing the English Company, and your company took over that representation when it was organized? A. That is correct. Q. Mr. Woodward: They took over the representation as outlined in the report. A. Yes. Q. They started to manufacture here.

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Q. You said that Mr. Fischer had represented the English Company for approximately how many years?

A. From 10 to 15 years.

Q. And, therefore, the English Company had an established business here?

A. They had a definitely established business here. They had established such a business that they decided it was well worth while opening a mill to handle the business.

Q. And did you, in the organization of Grout's Limited, place any value, in dollars, on the goodwill item?

A. There was no question there was a very tangible value in that goodwill item. There could hardly help but be with a full range of customers to immediately call upon. The name was known, the representation was known.

Q. Yes. Now, in opening up the books of the new company was there a value actually entered?

A. Yes, there was a value of \$10,000 place on that feature of the contract.

Q. Was there any other element, or consideration, for the issue of the 3,000 shares?

A. The main consideration in that contract was an undertaking by the English Company to supply the Canadian Company, and its officers, with any information of any kind calculated to be helpful in the establishment and operation of the new company.

Q. What would that include, Mr. Woodward?

A. That would include such matters as technical

Q. You said that Mr. Fischer had represented the

English Company for approximately how many years?

A. From 10 to 15 years.

Q. And, therefore, the English Company had an

established business there?

established such a business that they decided it was  
well worth while opening a mill to handle the business.

Q. And did you, in the organization of Goodwill

Limited, place any value, in dollars, on the goodwill

item?

A. There was no question there was a  
very tangible value in that goodwill item. There

could hardly help but be with a full range of custom

to immediately call upon. The name was known, the

representation was known.

Q. Yes. Now, in opening up the books of the new

company was there a value actually entered?

A. Yes, there was a value of \$10,000 placed on that

feature of the contract.

Q. Was there any other element, or consideration,

for the issue of the 5,000 shares?

A. The main consideration in that contract was an undertaking

by the English Company to supply the Canadian Company

and its officers, with any information of any kind

calculated to be helpful in the establishment and

operation of the new company.

A. That would include such matters as technical



information, and constructions.

Q. By "constructions" you mean? A. By

constructions I mean the manner in which a cloth is put together.

Q. Yes? A. It would also include such matters

as advice on market conditions, raw silk market conditions and, in general, the laying open to us all of the experience that the English company had had over a period of over 100 years.

Q. And did the Canadian company get the benefit of the English Company's contacts in purchasing raw materials under that contract? A. Yes. In

several cases the English company did place Mr. Watson in contact with their sources of supply of raw silk.

Q. And was that something that the English Company agreed to do when the contract was undertaken?

A. Oh, yes, definitely agreed. The English Company definitely agreed to assist in any way they could.

Q. Yes. And, was there a value placed on that in the opening of the books of the Canadian Company?

A. There was a value of \$62,900 placed on that item.

Q. How was the balance of the \$75,000 made up?

A. There was a balance between those two figures mentioned and \$75,000 of \$2100. The English Company made themselves responsible on a lease of premises, suitable premises in St. Catharines, the rental of which was \$360 per month or \$4,200 per annum, or \$42,000 over a ten-year period that the lease covers.

Woodward

9347

Information, and confidential.

Q. By "constitutions" you mean?

A. By

constitutions I mean the manner in which a cloth is

constituted.

Q. Yes?

A. It would also include such matters

as advice on market conditions, raw silk market

conditions and, in general, the laying open to us

all of the experience that the English company had had

over a period of over 100 years.

Q. And did the Canadian company get the benefit of

the English Company's contacts in purchasing raw

materials under that contract?

A. Yes. In

several cases the English company did place its agents

in contact with their sources of supply of raw silk.

Q. And was that something that the English Company

agreed to do when the contract was first entered?

A. Oh, yes, definitely agreed. The English Company

definitely agreed to assist in any way they could.

Q. Yes. And, was there a value placed on that

in the opening of the books of the Canadian Company?

A. There was a value of \$75,000 placed on that item.

Q. How was the balance of the \$75,000 made up?

A. There was a balance between those two figures

mentioned and \$75,000 of \$100. The English Company

made themselves responsible on a lease of premises,

suitable premises in St. Catharines, the rental of

which was \$500 per month or \$6,000 per annum, or

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We set up the value of that lease as \$21\_00, being 5% of the total rental payable under the lease.

5 Q. Now, Mr. Woodward, on the organization of the Canadian Company, on the one hand you got by the contract the benefit of the English Company's experience, customers, and contacts. If you had not had that you would have started off with a new business here, with no customers, no contacts, and no channels through which to purchase raw material. Then at the 10 time of the organization of the Canadian Company, did these items that you have mentioned to his lordship have a real basis value, for what the Canadian Company was to get?

15 A. If you mean, was there any direct relation between the values placed on those services and on the services themselves, that is a question that would of course, be impossible to answer. On the other hand, the split-up that we made represents 20 as intelligent a division of that sum as possible. Then, in further answer to your question, we considered at that time that the contract was very well worth the while of the Canadian Company. I think perhaps if I may be allowed to add a point there, the experience 25 of one of our earlier competitors there proves that very conclusively. They came here with no knowledge of the Canadian market, with no knowledge of Canadian conditions, or with no knowledge of Canadian customs--

30 BY THE COMMISSIONER: Q. Came from where?

A. Came from the United States. And we have heard

CONFIDENTIAL

We set up the value of that lease as \$21.00, being  
5% of the total rental payable under the lease.  
A. Now, Mr. Woodward, on the organization of the  
Canadian Company, on the one hand you got by the  
contract the benefit of the English Company's experi-  
ence, customers, and contacts. If you had not had  
that you would have started out with a new business  
here, with no customers, no contacts, and no channels  
through which to purchase raw material. Then at the  
time of the organization of the Canadian Company,  
did these items that you have mentioned to his lord-  
ship have a real basic value, for what the Canadian  
Company was to get? A. If you mean, was there  
any direct relation between the values placed on those  
services and on the services themselves, that is a  
question that would of course, be impossible to answer.  
On the other hand, the split-up that we made represented  
an intelligent division of that sum as possible.  
Then, in their answer to your question, we considered  
at that time that the contract was very well worth the  
while of the Canadian Company. I think perhaps if I  
may be allowed to add a point there, the experience  
of one of our earlier competitors also proves that  
very conclusively. They came here with no knowledge  
of the Canadian market, with no knowledge of Canadian  
conditions, or with no knowledge of Canadian customs--  
BY THE COURT: A. Come from where?

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in later years, and we know of very serious mistakes that they made that the English Company, by reason of this contact, did not allow us to make.

5 BY MR. KELLOCK: Q. In other words, the contract that you had with the English Company was worth real money, in dollars? A. There is no question with regard to that.

10 Q. My friend in speaking of the Valleyfield Company referred to the manner in which it had acquired the assets formerly owned by the Brupbacher Company. Do you know when that company was organized? A. When the Brupbacher Company was organized?

15 Q. Yes?

BY THE COMMISSIONER: Q. How do you spell Brupbacher? A. B-r-u-p-b-a-c-h-e-r, my lord. The full name was Brupbacher Silk Mills Limited.

20 BY MR. KELLOCK: Q. And do you know when it was organized? A. According to information which I have on file, it was incorporated in 1930.

25 Q. And did it commence operations that year? A. It actually commenced operations on or about January 1st, 1931, according to trade reports that I have.

Q. And how long was it actually in business as an operating company? A. It was adjudged bankrupt on October 19th, 1932.

30 Q. So it apparently operated something less than two years? A. Several months less than two years.

Q. Do you know anything about the capital that it had?

in later years, and we know of very serious mistakes  
that they made that the English Company, by reason of  
this contract, did not allow us to make.  
BY R. KILLOCK: Q. In other words, the contract  
that you had with the English Company was worth real  
money, in dollars? A. There is no question with  
regard to that.  
Q. My friend in speaking of the Valleyfield Com  
referred to the manner in which it had acquired the  
assets formerly owned by the Brupbacher Company.  
Do you know when that company was organized? A. When  
the Brupbacher Company was organized?  
A. Yes?  
BY THE COMMISSIONER: Q. How do you spell Brupbacher?  
A. B-r-u-p-b-a-c-h-e-r, my lord. The full name  
was Brupbacher & Co. Limited.  
BY R. KILLOCK: Q. And do you know when it was  
organized? A. I believe it was organized in 1930.  
Q. And did it commence operations that year? A.  
Actually commenced operations on or about January 1st,  
1931, according to trade reports that I have.  
Q. And how long was it actually in business as an  
operating company? A. It was organized bankrupt  
on October 1st, 1932.  
Q. So it apparently operated something less than  
two years.

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A. The capital, I cannot just say when it was put in, but the total capital put into the business was \$500,000 preferred, and a small amount of common - about \$15,000, I believe. And, apart from capital, there was \$500,000 put in in the way of bonds.

Q. The \$500,000 preferred, was that paid up in cash?

A. Yes. I understand that the preferred and bonds represent \$1,000,000 cash. I cannot say whether the common represents cash or not.

Q. And how did the amount of business, or rather how did the kind of business that company was in compare with the business of Grout's Limited? A. Precisely the same business, selling the same fabrics to the same customers in the same markets.

Q. And how the equipment of the two companies compare, - machinery, plant and equipment? A. I must of necessity speak from hearsay on the subject; I am not a technical man, but I have heard Mr. Watson and a good many other people say it is the finest equipped mill that there is in Canada.

BY THE COMMISSIONER: Q. Which is? A. Brupbacher Silk Mills, now Valleyfield Silk Mills, even better than Grout's Limited.

BY MR. KELLOCK: Q. Your company, I suppose, before it acquired the lines and machinery made on inspection?

A. Oh, definitely.

Q. And you are speaking as the result of that inspection? A. Definitely.

A. The capital, I cannot just say when it was put in, but the total capital put into the business was \$500,000 preferred, and a small amount of common - there was \$500,000 put in the way of bonds.

4. The \$500,000 preferred, was that paid up in cash?

A. Yes. I understand that the preferred and bonds represent \$1,000,000 cash. I cannot say whether the common represents cash or not.

now did the kind of business that company was in compared with the business of Groat's Limited? A. Precisely the same business, selling the same fabrics to the same customers in the same markets.

.. And now the argument of the two companies comes -

necessarily apart from hearsay on the subject; I am not a technical man, but I have heard Mr. Watson and a good many other people say it is the finest equipped mill that there is in Canada.

MY THE GOVERNMENT: A. Which is? A. Bruggachert Silk Mills, now Vellefield Silk Mills, even better than Groat's Limited.

MY MR. KELLOR: A. Your company, I suppose, before

A. Oh, being -

.. And now speaking as the result of this

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Q. And during the time that the Brupbacher Company was operating, did it pay any dividends? A. Not to my knowledge; I would think it extremely improbable.

5 Q. And, as a result of the acquisition of those assets by the Valleyfield Silk Mills Company, it is apparent, is it not, that the shareholders of the Brupbacher Company got nothing? A. It seems very apparent to me. The bank itself, I understand, 10 with all its security lost something.

Q. Yes. So that at the time that you were making profits here in St. Catharines, in the same kind of business and with equipment not as good as the Brupbacher Company, that company was losing all its 15 common shareholders' capital, and part of the money on the bond mortgage; is that a fact, Mr. Woodward?

A. That is a fact, Mr. Kellock. I was wondering whether I could draw possibly a further comparison 20 than that, if you would just pardon me for a moment.

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was operating, did it pay any dividends? A. No, to my knowledge; I would think it extremely unlikely. And, as a result of the acquisition of these shares of the company, it is not, that the shareholders of the Proprietary Company got nothing? A. It seems very apparent to me. The bank itself, I understand, with all its security lost something. A. Yes. Go back at the time that you were making profits here in St. Catharines, in the same kind of business and with an investment not as good as the Proprietary Company, that company was losing all its common shareholders' capital, and part of the money on the bank mortgage; is that a fact, M. Woodwille? A. That is a fact, Mr. Bell. I was wondering whether I could draw possibly a further comparison than that, if you would just pardon me for a moment.

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A. I should just like to point out that the net profits of Grout's Limited in the year ended August, 1932 amounted to \$34,000 and in the year ended August, 1933 \$56,000 making a total of ninety thousand odd. The liquidator's statement of October 19, 1932 showed, I believe, that Brupacher Silk Mills had lost \$464,500 of the original investment of \$1,000,000.

Q. I see; so that it is apparent that management has some slight relation to whether profits are made in a business such as you carry on; you would agree with that, I suppose? A. I think that is fairly well substantiated by the figures we have discussed this morning and that Mr. McEuer discussed yesterday.

Q. I want to ask you something on that, Mr. Woodward; what has been the experience of your company in the matter of bad debts? I am speaking now of Grout's Limited? A. Our experience has been, I believe, fairly favourable in that particular direction. I have here the totals of bad debts as compared with totals of sales for the 11 year period ended August, 1935.

Q. That is from the inception of the company? A. That is from the inception of the company.

Q. Yes? A. The total sales during that period amounted to \$10,659,000 and during that period \$26,800 was the total amount of our loss on bad debts. Perhaps I should point out that of that \$26,000, \$13,000 was incurred in one year when we made just one bad mistake.

of Grant's Limited in the year ended August, 1933 a  
ed to \$34,000 and in the year ended August, 1932  
\$56,000 making a total of ninety thousand odd. The  
liquidator's statement of October 19, 1932 shows,  
I believe, that September 31st 1932 was lost \$44,000  
of the original investment of \$1,000,000.

Q. I see; so that it is apparent that management  
ment has some slight relation to whether profits are  
made in a business such as you carry on; you would  
agree with that, I suppose? A. I think that is  
fairly well substantiated by the figures we have dis-  
cussed this morning and that Mr. Nelson discussed  
yesterday.

Q. I want to ask you something on that, Mr.  
Woodward; what has been the experience of your company  
in the matter of bad debts? I am speaking now of  
Grant's Limited? A. Our experience has  
been, I believe, fairly favourable in that particular  
direction. I have here the totals of bad debts as  
compared with totals of sales for the 11 year period  
which I have just mentioned.

Q. That is from the inception of the company?  
A. That is from the inception of the company.

Q. Yes?  
A. The total sales during  
the 11 period amounted to \$10,682,000 and during that  
period \$26,800 was the total amount of our loss on  
bad debts. Perhaps I should point out that of that  
\$26,000, \$18,000 was incurred in one year when we had



Q. I see; now, that seems an extraordinarily small amount. Has the management of your company any policy that results from your experience in that regard?

5 A. Our company has been the only one in Canada that has consistently sold on net 30 day terms. There has, particularly of late years since competition has become keener, grown up a habit among the Canadian trade of competing in the matter of terms. If you cannot meet a customer in the way of prices or give  
10 him the quality he wants they increase the length of the terms that they are willing to offer them. We have never taken any part in that competition. Undoubtedly our net 30 day terms have much to do with that. That was a definite policy of our management.

15 Q. How are you able to compete on net 30 day terms with other mills that are giving better terms?

A. The only answer I can make to that is an assumption. It seems to me to prove that the fabrics, prices,  
20 quality and general services of our company are superior to that of enough of our competitors that we are able to get the business even on those terms.

Q. That is the only explanation you know of?

A. I know of no other.

25 Q. Mr. Woodward, I asked you if you would be good enough to prepare a statement showing your sales, net profits for the seven years ended August, 1935, and to reduce that to profit on a per yard basis and I understand that the reason you take a seven year period  
30 is that that is the most extended time that you can give this information for; is that correct? A. We

small amount. Has the management of your company any policy that results from your experience in that regard?  
A. Our company has been the only one in Canada that has consistently sold on net 30 day terms. There has been particularly of late years since competition has become keener, grown up a habit among the Canadian trade of competing in the matter of terms. If you cannot meet a customer in the way of prices or give him the quality he wants they increase the length of the terms that they are willing to offer them. We have never taken any part in that competition. Undoubtedly our net 30 day terms have much to do with that. That was a definite policy of our management.  
Q. How are you able to compete on net 30 day terms with their mills that are giving better terms?  
A. The only answer I can make to that is an assumption. It seems to me to prove that the fabrics, prices, quality and general service of our company are superior to that of enough of our competitors that we are able to get the business even on those terms.  
Q. That is the only explanation you know of?  
A. I know of no other.  
Q. Mr. Woodward, I asked you if you would be able to state the approximate amount of your net profits for the seven years ended August, 1925, and in what way is your net profit affected by the change in the terms of sale?  
A. I am not sure that I can give you the exact figures, but I can say that the net profit for the seven years ended August, 1925, was approximately \$1,000,000. As to the change in the terms of sale, I believe that the net profit has been affected in a very material way by the change from net 30 day terms to net 60 day terms. I believe that the net profit has been increased by the change from net 30 day terms to net 60 day terms.

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haven't the yardage particulars extending over a longer period than seven years, that is correct.

Q. Is this statement I show you the statement you have prepared?

A. That is the statement.

5 THE COMMISSIONER: This will be exhibit 690.

MR. KELLOCK: 6--

THE COMMISSIONER: 690.

EXHIBIT NO. 690: Sales, net profits and yard sales compared seven years ended August 1935.

10 MR. KELLOCK: Mr. Woodward, that shows that in that period -- it is headed, my lord, sales and net profits and yard sales --

THE COMMISSIONER: I have it.

15 MR. KELLOCK: Yes, the secretary was just asking for the title.

Sales,

THE COMMISSIONER: Net profits, and yard sales compared, seven years ended August 1935.

20 MR. KELLOCK: Yes, my lord. This shows, Mr. Woodward, that the approximate yards sold -- you say approximate, you have left off the odd figures, have you? A. No, that means it is impossible to prepare definitely accurate yards of sales. That is prepared on a basis which we consider to be fair. As a matter of fact, it is prepared by our auditors each year from information submitted to them.

Q. That shows that the yardage sold was

9,665,400? A. That is correct.

30 Q. And that the sales were \$7,765,925. You made a net profit on those sales of \$500,256. The

haven't the various particulars extending over a  
longer period than seven years, that is correct.

Q. Is this statement I show you the statement

you have prepared? A. That is the statement.

THE COMMISSIONER: This will be exhibit 690.

THE COMMISSIONER: 690.

EXHIBIT NO. 690: Sales, net profits and yards  
sales extended seven years  
ended August 1925.

MR. KELLICK: Mr. Woodward, that shows that in

that period -- it is headed, my lord, sales and net

THE COMMISSIONER: I have it.

MR. KELLICK: Yes, the secretary was just asking

for the title.

THE COMMISSIONER: Net profits, and yard sales

compared, seven years ended August 1925.

MR. KELLICK: Yes, my lord. This shows,

Mr. Woodward, that the approximate yards sold --

you say approximate, you have left off the one

figures, have you? A. No, that means it is

impossible to prepare definitely accurate yards of

sales. That is prepared on a basis which we con-

sider to be fair. As a matter of fact, it is

prepared by our auditors each year from information

submitted to them.

THE COMMISSIONER: That is the statement I have

A. That is correct.

THE COMMISSIONER: That is the statement I have



average selling price per yard of your fabrics in that period was 80½¢ and the net profit on that volume of business was 6.45%, and the net profit per yard was 5.2¢? A. Those figures are correct.

5 BY THE COMMISSIONER: Q. What is the difference between the 6.45 and the 5.2? A. 6.45 is the percentage represented by the net profit on sales. The net profit per yard, 5.2 is the net profit per yard, that means per yard of sales.

10 MR. KELLOCK: The 6.45, my lord, is the percentage of the \$500,256, which is the third figure, of the second figure on sales.

THE COMMISSIONER: Of the \$7,000,000?

15 MR. KELLOCK: Yes, in other words, it is the percentage on the turn-over. Now, I asked you to do the same thing for the last two years, Mr. Woodward, and is this statement I am showing you a statement covering the last two years? A. That is the statement.

20 Q. On the same basis --

THE COMMISSIONER: 691.

MR. KELLOCK: 691, my lord.

25 EXHIBIT NO. 691: Grout's Limited, Sales, Net Profits and Yard Sales compared two years ended August, 1935.

THE COMMISSIONER: For what period, 1935 and 1936?

30 MR. KELLOCK: For the two years ended August, 1935, my lord. I understand that your company has a fiscal year which is not the calendar year. It ends in August of each year? A. That is so.

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average selling price per yard of your fabrics in  
that period was 80¢ and the net profit on that  
volume of business was 6.45¢, and the net profit per  
yard was 6.8¢?  
BY THE COMMISSIONER: What is the difference  
between the 6.45 and the 6.8¢?  
A. 6.45 is the  
percentage represented by the net profit on sales.  
The net profit per yard, 6.8¢ is the net profit per  
yard, that would be the correct figure.  
MR. KILLOCK: The 6.45, my lord, is the percent-  
age of the \$20,000, which is the third figure, of  
the second figure on sales.  
THE COMMISSIONER: Of the \$20,000, correct?  
MR. KILLOCK: Yes, in other words, it is the  
percentage on the turn-over. Now, I asked you to do  
the same thing for the last two years, Mr. Woodward,  
and in this statement I am showing you a statement  
covering the last two years?  
A. That is the  
statement.  
Q. On the same basis --  
THE COMMISSIONER: Yes.  
MR. KILLOCK: Yes.  
THE COMMISSIONER: Now, my lord, the two years ended August,  
1935, my lord. I understand that your company has  
a fiscal year which is not the calendar year. Is that

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THE COMMISSIONER: August, 1935?

MR. KELLOCK: Yes, my lord.

THE COMMISSIONER: Not the last two years.

BY MR. KELLOCK: Q. It is the last two years

5 you have taken your period for -- A. Of the seven  
year period.

Q. It is the last two years of the seven year  
period covered by the preceding exhibit. That shows  
in that period approximate yards sold were 2,934,900;  
10 your sales were \$1,692,663, the net profit was  
\$73,779, the average selling price per yard 57-3/4¢,  
the net profit on the volume of business was 4.35%  
and the net profit per yard was 2.5¢. Now, Mr.

15 Woodward, the average selling price per yard has  
come down from 80 1/2¢ to 57-3/4¢; is there any signif-  
icance in that? A. Well, the decrease

in that figure is undoubtedly due to some extent to a  
decrease in the expenditure -- the expenses of our  
operations but it is also due in some measure to a  
20 decrease in the price of our raw material, and a  
further reason would undoubtedly be the fact that  
we have made a greater proportion of artificial  
silk fabrics than we did during the early part of  
the seven year period.

25 Q. I wanted to ask you this, is it due in any  
way to difficulty in getting as much for your goods  
as you formerly were able to; are you able to say  
anything about that? A. Possibly it would be  
30 better to look at your net profit per yard to consider  
that.

MR. WILSON: Yes, my lord.

THE COMMISSIONER: Not the last two years.

BY MR. WILSON: It is the last two years.

You have taken your period for -- A. Of the seven

year period.

Q. It is the last two years of the seven year

period covered by the preceding exhibit. That shows

in that period approximate yards sold were 2,384,900;

your sales were \$1,892,868, and net profit was

\$400,000. The net profit on the volume of business was 4.88%

and the net profit per yard was 2.6%. Now, Mr.

Woodward, the average selling price per yard has

come down from 80 1/4 to 57 3/4; is there any significant

change in that? A. Well, the decrease

in that figure is undoubtedly due to some extent to a

decrease in the expenditure -- the expenses of our

operations but it is also due in some measure to a

decrease in the price of our raw material, and a

further reason would undoubtedly be the fact that

we have had a decrease in the cost of our raw material

and fabrics than we did during the early part of

the seven year period.

Q. I wanted to ask you this, is it due in any

way to difficulty in getting as much for your goods

as you formerly were able to; are you able to say

whether or not you are able to say that you are

able to say that you are able to say that you are



BY MR. McRUER: Q. The net profit per yard on artificial silk would not be comparable with the net profit per yard on real silk? A. It would not be?

Q. No. A. Why?

Q. The net profit per yard? A. Because on a percentage basis, are you not tying up as much capital in the production of artificial silk? Aren't you taking just as much chance of losses from bad debts and making the wrong fabrics?

Q. It is two different fabrics altogether.

A. I still don't see your point. They still involve men with technical experience. We are speaking on a percentage basis.

BY MR. KELLOCK: Q. I am asking you, Mr. Woodward, and you are giving the evidence. I want to know whether there is anything in that; you point to the fact that your net profit per yard in that period is 2½ cents where it was formerly something over five cents?

THE COMMISSIONER: Percent -- oh, cents, that is right.

THE WITNESS: Yes, 4.35% as compared with 6.45%.

BY MR. KELLOCK: Q. You are drawing attention now to the percentage figure, and not the profit per yard? A. Yes.

Q. Instead of it being 6.45% as in the seven years it is now 4.35%, and what conclusion do you draw from that? A. That is undoubtedly due to

very difficult trading conditions and is in spite of a decrease in our expenses, our ratio of expenses. In

BY MR. HENDER: Q. The net profit per yard on  
artificial silk would not be comparable with the net  
profit per yard on real silk? A. It would not be?

A. Because  
Q. The net profit per yard  
on a percentage basis, are you not finding us as much  
capital in the production of artificial silk? Aren't  
you taking just as much chance of losses from bad  
and making the wrong tactics?

A. It is two different techniques altogether.  
Q. I still don't see your point. They still involve  
men with technical experience. We are speaking on a  
percentage basis.

BY MR. HENDER: Q. I am asking you, Mr.  
Woodward, and you are giving the evidence. I want to  
know whether there is anything in that; you point to  
the fact that your net profit per yard in that period  
is 2 1/2 cents where it was formerly something over five  
cents?

THE COMMISSIONER: Present -- oh, cents, that  
right.

THE WITNESS: Yes, 4.35% as compared with 6.45%.

BY MR. HENDER: Q. You are drawing attention  
now to the percentage figure, and not the profit per

yards it is now 4.35%, and what conclusion do you draw  
A. That is undoubtedly due to  
varying conditions and is in spite of



other words, we have cut everything that we can to the bone and still we find that trading conditions are such that we are unable to make more than 4½ on net profit during those two years. I expressed an opinion yesterday with regard to the outcome for 1936.

Q. You said as far as you could form an opinion there would be no dividend at all this year?

A. That is correct.

Q. I also asked you if you would prepare a statement covering the full period covered by your returns to the Commission, which is 1926 to 1935, showing your sales in each of those years, the net profits in dollars and the percentage. Is that the

statement that you have prepared? A. That is the statement, yes.

Q. It will be exhibit 692, my lord?

THE COMMISSIONER: 692.

EXHIBIT NO. 692:

Grout's Limited, statement showing sales, net profits in dollars and the percentage, 1926 to 1935.

THE COMMISSIONER: This goes from 1926 to 1935?

MR. KELLOCK: To 1935, my lord, yes; and that

shows that for 1926 your sales were \$772,655, net profits \$75,068 and the percentage 9.7%. In the following year, 1927, the sales were \$862,172, the net profits \$105,606 and the percentage of net profit 12.2%. In 1928 the sales were \$1,026,526, the net profits \$154,448 or a percentage of 15.1% net profit. In 1929

other words, we have not everything that we can to  
the bank and still we find that trading conditions  
are such that we are unable to make more than 4%  
on net profit during those two years. I expressed  
an opinion yesterday with regard to the outcome for  
1936.

Q. You said as far as you could form an opinion  
that there would be no dividend at all this year?  
A. That is correct.

Q. I also asked you if you would prepare a  
statement covering the full period covered by your  
return to the Commission, which is 1932 to 1936,  
showing your sales in each of those years, the net  
profits in dollars and the percentages. Is that the  
statement that you have prepared?  
A. That is the  
statement, yes.

Q. It will be exhibit 332, my lord?  
A. Exhibit 332, yes.

EXHIBIT NO. 332:  
Grant's Limited, 1932-1936  
net showing sales,  
net profits in dollars  
and the percentages, 1932  
to 1936.

THE COMMISSIONER: This goes from 1932 to 1936.  
Q. I think the 1932, 1933, 1934, 1935, and 1936.  
A. Yes, that is the full period, yes.  
Q. In the full  
period, 1932, 1933, 1934, 1935, and 1936, the net profit  
showing net sales and percentages of net profit in 1932.  
Q. In 1932 the sales were \$1,200,000, the net profit  
was \$48,000, and the percentage of net profit was 4%.



your sales were \$1,241,675, your net profits \$143,017, or 11.5%. In 1930 your sales were \$1,261,290, your net profits \$54,594, and your net profit was down to 4.3%. In 1931 your sales were \$1,284,906, your net profits \$137,990 and your percentage of net profit 10.7%. In 1932 your sales were \$1,096,276, your profits \$34,354? A. 354, yes.

Q. Your percentage of net profit down to 3.1%. In 1933 your sales were \$1,189,116, net profits \$56,522 and net profit percentage 4.8%. In 1934 your sales were \$951,315, net profit \$37,600, percentage 4%. In 1935 sales were \$741,349, profits \$36,180 and your percentage of net profit 4.9%. A. Those figures are correct.

BY THE COMMISSIONER: Q. How does it come that the year 1931 stands out there between two lows -- two lean years so prominently? You see, you have 4.3 before it and 3.1 below it, and 1931 is 10.7? A. That is a question, my lord, that I would find it difficult to answer. I think Mr. Watson could supply you with a more satisfactory explanation.

MR. KELLOCK: Mr. Watson, would you make a note of that, please? I also asked you on this question of administration and office salaries if you would prepare a statement showing --

BY THE COMMISSIONER: Q. When you use the term administration that includes the higher executives as well as the lower? A. That does, my lord.

MR. KELLOCK: Yes, my lord; showing the amounts

your sales were \$1,241,670, your net profits \$148,017, or 11.9%. In 1930 your sales were \$1,281,290, your net profits \$54,694, and your net profit was down to 4.3%. In 1931 your sales were \$1,234,906, your net profits \$137,999 and your percentage of net profit 10.7%. In 1932 your sales were \$1,086,476, your net profits \$34,394, and your percentage of net profit 3.1%.

4. Your percentage of net profit is down to 3.1%. In 1933 your sales were \$1,160,716, net profits \$26,282 and net profit percentage 2.3%. In 1934 your sales were \$951,316, net profit \$27,600, percentage 2.9%. In 1935 sales were \$741,449, profits \$36,160 and your percentage of net profit 4.9%. A. These figures are correct.

BY THE COMMISSIONER: 5. How does it come that the year 1931 stands out there between two low -- two lean years so prominently? You see, you have 4.3 per cent and 3.1 below it, and 1931 is 10.7%. A. That is a question, my lord, that I would find it difficult to answer. I think Mr. Watson could supply you with a more satisfactory explanation.

MR. KILLOCK: Mr. Watson, would you make a note of that, please? I also asked you on this question of administration and office salaries if you would prepare a statement showing --

BY THE COMMISSIONER: 6. When you use the term administration that includes the higher executives as well as the lower? A. That goes, my lord.

MR. KILLOCK: Yes, my lord; showing the amount



paid for the same period, that is, 1926 to 1935, and the percentage of your sales; is that the statement?

A. That is the statement, yes.

Q. Exhibit 693, my lord?

THE COMMISSIONER: 693.

EXHIBIT NO. 693: Grout's Limited, statement of administration and office salaries and bonuses, as percentage of sales.

THE COMMISSIONER: Statement of salaries?

MR. KELLOCK: It is a statement of administration and office salaries and bonuses, as percentage of sales. Now, in 1926, your sales -- I won't read them because they are exactly the same as in the preceding exhibit, but the administration and office salaries and bonuses in that year were \$25,242 and the percentage of sales was 3.3%.

MR. McRUER: This is all the parent company?

MR. KELLOCK: It is Grout's Limited, it is headed Grout's Limited.

MR. McRUER: Yes, I know, but he told us they distributed office salaries in the latter two years with Valleyfield Silk Company, between Valleyfield Silk Company and Grout's Limited. Here they apparently are all taken in together.

THE COMMISSIONER: I understand they were chargeable first to Grout's Limited and then charged back; is that right?

MR. KELLOCK: There is the fixed salaries -- fixed salaries were paid in the first instance by Grout's Limited, also the profit sharing remuneration,

paid for the same period, that is, 1935 to 1936, and the percentage of your sales; in that the statement

A. That is the statement, yes.

Q. Exhibit 253, my lord?

A. Yes, my lord.

THE COURT: Yes.

Q. Now, my lord, the statement of

office salaries and bonus as percentage of sales.

THE COURT: Statement of salaries?

A. Yes, my lord; it is a statement of administrative

and office salaries and bonus, as percentage of sales.

Now, in 1935, your sales -- I won't read them because

they are exactly the same as in the preceding exhibit,

but the administration and office salaries and bonus

in that year were \$25,245 and the percentage of sales

was 3.3%.

MR. MURPHY: This is all the parent company?

MR. BRYDIE: It is Groat's Limited, it is

needed Groat's Limited.

MR. MURPHY: Yes, I know, but he told us they

distributed office salaries in the latter two years with

Valleyfield Silk Company, between Valleyfield Silk

Company and Groat's Limited. Have they separately or

all taken in together.

THE COURT: I understand they were charged

able first to Groat's Limited and then charged back;

is that right?

MR. BRYDIE: Yes, my lord, that is the way it was

first charged to Groat's Limited and then charged back

Groat's Limited, also the profit sharing remuneration



the part of the remuneration which was due by Grout's Limited was paid by Grout's Limited and the profit sharing part due by Valleyfield was paid by Valleyfield. Then, Valleyfield recouped Grout's Limited for the share of the salaries which was really charged to Valleyfield but which Grout's Limited had paid.

THE COMMISSIONER: These figures don't take into consideration the recouping?

MR. KELLOCK: No, because your lordship sees that Valleyfield only started to operate in 1933. You would have to have an entirely different basis of comparison if you include Valleyfield.

MR. McRUER: If you are comparing sales by Grout's Limited with the administration and office salaries of Grout's Limited, a portion of which are chargeable against another company you have got a false basis to work on, that is all.

MR. KELLOCK: Well, your criticism is quite correct from 1933 onward.

THE COMMISSIONER: It began only in the last three years.

THE WITNESS: If you will excuse me, I might correct a misunderstanding in that connection. The figures as presented are exactly correct. They were exactly the amounts paid by Grout's and will tie in with the amounts shown in the statement already sent to the Commission.

BY MR. McRUER: Q. Those are net figures?  
A. Those are net figures,

the part of the remuneration which was due by Groulx's  
limited was paid by Groulx's limited and the profit  
sharing part due by Valleyfield was paid by Valleyfield.  
Then, Valleyfield recouped Groulx's limited for the  
share of the salaries which was really charged to  
Valleyfield but which Groulx's limited had paid.  
THE COMMISSIONER: These figures don't take into

consideration the recouping?  
MR. MONTGOMERY: Yes, because the salaries were  
that Valleyfield only started to operate in 1938. You  
would have to have an entirely different basis of  
comparison if you include Valleyfield.

MR. MONTGOMERY: If you are comparing sales by Groulx's  
limited with the administration and office salaries  
of Groulx's limited, a portion of which are chargeable  
against another company you have got a false basis  
to work on, that is all.

MR. EARL OOK: Well, your criticism is quite  
correct from 1938 onwards.

THE COMMISSIONER: It began only in the last three  
years.

THE WITNESS: If you will excuse me, I might  
correct a misunderstanding in that connection. The  
figures as presented are exactly correct. They were  
exactly the amounts paid by Groulx's and will tie in  
with the amounts shown in the statement already sent  
to the Commission.

BY MR. MONTGOMERY: Q. Those are not figures?  
A. Those are not figures.



Q. After deduction is made of what is chargeable against Valleyfield? A. That is correct.

Q. So this is the proper figure to work on.

MR. KELLOCK: So it is perfectly accurate, yes; in 1926 this percentage was 3.3. In 1927 salaries and bonuses were \$30,099 and the percentage 3.5. In 1928 the amount was \$39,877 and the percentage was 3.9. In 1929 the amount was \$40,167 and the percentage 3.2. In 1930 the amount was \$26,950 and the percentage 2.1. In 1931 the amount was \$42,571 and the percentage 3.3. In 1932 the amount was \$27,548 and the percentage 2.5. In 1933 the amount was \$29,961 and the percentage 2.5. In 1934 the amount was \$23,209 and the percentage 2.4. In 1935 the amount was \$25,289 and the percentage 3.4. A. May I, before

we go any further, interject an explanation there?

On checking those figures with the figures sent in to the Commission it will be found there is a difference in the administration and office salaries and bonuses for the year 1934. The auditors incorrectly included mill foremen in that figure for that year.

The error amounts to \$14,741.19 and that figure should be deducted from administration and office salaries and bonuses as shown on the return headed "administrative and executive expenses in detail, and also to be deducted from the figure of \$51,517.43 shown on --

BY MR. McRUR: Q. Excuse me, Mr. Woodward, I want to follow what you are saying. A. Quite; shall I start again?

4. After deduction is made of what is charged  
against Valley? A. That is correct.  
5. So this is the proper figure to work on.  
Mr. Kell-ock; is it is perfectly accurate, yes;  
in 1933 this percentage was 3.5. In 1937 salaries  
and bonuses were \$30,000 and the percentage 3.5. In  
1938 the amount was \$30,877 and the percentage was  
3.9. In 1939 the amount was \$40,167 and the percent-  
age 3.2. In 1940 the amount was \$35,930 and the  
percentage 3.1. In 1941 the amount was \$43,871 and  
the percentage 3.8. In 1942 the amount was \$57,343  
and the percentage 3.5. In 1943 the amount was \$39,98  
and the percentage 3.5. In 1944 the amount was \$38,40  
and the percentage 3.4. In 1945 the amount was  
\$33,889 and the percentage 3.4. A. May I, before  
we go any further, interject an explanation there?  
On checking these figures with the figures sent in  
to the Commission it will be found there is a differ-  
ence in the administration and office salaries and  
bonuses for the year 1944. The auditors incorrectly  
included mill foremen in that figure for that year.  
The error amounts to \$14,419 and that figure should  
be deducted from the figure of \$51,571.43 shown on --  
ive and executive expenses in detail, and also to be  
deducted from the figure of \$51,571.43 shown on --  
to follow what you are saying. A. Quite; shall  
I start again?

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Q. Will you start over again? If there is anything incorrect in this statement I want to have it corrected. A. Yes, I wanted to make that explanation.

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Q. Which statement are you referring to now?

A. Well, in the first place, shall we look at the exhibit?

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BY THE COMMISSIONER: Q. That is the last exhibit, 693? A. 693; you will see that the salary and bonus figure for 1934 is \$23,209. That is the correct figure. If you will refer to the page of the return, sheet number five of the profit and loss headed "administrative and executive expense in detail"--

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Q. Let us see which sheet you have got. I can pick it out quicker that way. A. The last sheet of profit and loss.

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Q. Alright? A. The figure on the top line of 1934, \$37,950.47, should read \$23,209.28 making the total at the bottom of that column, \$36,776.24 instead of \$51,517.43.

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Q. You say the explanation of that is the mill foremen were included? A. Yes, the mill foremen were included, and I think a number of other employees who were in all previous and subsequent years included in mill wages, had been included in office wages. There are other figures on the other sheets that should be altered, if you would care to have the details.

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Q. Would you be good enough to write a letter to Mr. Howson correcting that and that will keep us

4. Will you start over again? If there is

anything incorrect in this statement I want to have  
it corrected. . Yes, I wanted to make that

statement.

4. Which statement are you referring to now?

A. Well, in the first place, shall we look at the  
exhibit?

BY THE COMMISSIONER: 4. That is the last exhibit

693? A. 693; you will see that the salary

and bonus figure for 1934 is \$23,809. That is the

correct figure. If you will refer to the page of

the return, sheet number five of the profit and loss

headed "administrative and executive expense in

detail" --

4. Let us see which sheet you have got. I can

find it for you. That is the

of profit and loss.

4. Alright? A. The figure on the

top line is \$23,809.75, which is the 1934

making the total at the bottom of that column,

\$26,776.24 instead of \$21,517.43.

4. You say the explanation of that is the mill

foremen were included? A. Yes, the mill foremen

were included, and I think a number of other employees

who were in all previous and subsequent years included

in mill wages, had been included in office wages.

There are other figures on the other sheets that should

be altered, if you would care to have the details.

4. Would you be good enough to write a letter

Mr. Howson correcting that and that will keep us



straight. A. I will be glad to do that.

Q. There will be some other figure some place where the mill foremen ought to be. A. I will be glad to do that.

5 BY MR. KELLOCK: Q. I also asked you if you would prepare a statement showing wages --

THE COMMISSIONER: What?

BY MR. KELLOCK: Q. Wages, my lord, in the same period compared with sales on a percentage basis.

10 Is this the statement you prepared? A. Yes, that is the statement I prepared.

THE COMMISSIONER: Number 694.

EXHIBIT NO. 694: Grout's Limited, statement of manufacturing wages as percentage of sales.

15 BY MR. KELLOCK: Q. Now, this statement is headed "manufacturing wages as percentage of sales". What have you included under the caption "manufacturing wages"? A. I have included under that heading all wages which are grouped in the \* return for the purpose of overhead, as I explained yesterday, partly under productive and partly under non-productive; in other words, all mill wages.

THE COMMISSIONER: All mill wages?

25 MR. KELLOCK: All mill wages.

THE COMMISSIONER: Not including salaries?

MR. KELLOCK: Not salaries, just wages. As you explained to his lordship yesterday wages are included under the heading of productive wages and also wages are included under the heading of non-productive wages, and as you explained to his lordship yesterday time

straight. A. I will be glad to do that.  
.. There will be some other things some place  
where the mill foreman ought to be. A. I will  
be glad to do that.  
BY MR. KILGORE: I also asked you if you  
would present a statement showing wages --  
..  
BY MR. KILGORE: .. wages, up to, in the same  
period compared with sales on a percentage basis.  
Is this the statement you prepared? A. Yes, that is  
the statement I prepared.  
THE CHAIRMAN: R. Number 644.  
KILGORE: NO. 644: ..  
..  
BY MR. KILGORE: .. Now, this statement is  
headed "manufacturing wages as percentage of sales".  
What have you included under the caption "manufacturing  
wages"? A. I have included under that  
heading all wages which are grouped in the return  
for the purpose of overhead, as I explained yesterday,  
partly under productive and partly under non-productive  
in other words, all mill wages.  
..  
MR. KILGORE: All mill wages.  
THE CHAIRMAN: Not including salaries?  
MR. KILGORE: Not salaries, just wages. As you  
explained to his lordship yesterday, wages are broken  
down into heading of productive wages and non-productive  
wages. I think that the heading of non-productive wages  
and as you explained to his lordship yesterday time

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workers were included under the latter head?

THE COMMISSIONER: Time workers were considered non-productive?

MR. KELLOCK: Yes.

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BY THE COMMISSIONER: Q. This puts them all together? A. That puts them ~~all~~ together.

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BY MR. KELLOCK: Q. That shows for 1926 -- I won't read your sales column because it is the same, but the wages were \$80,537 and the percentage of sales 10.4%. In 1927 the wages were \$103,471 and the percentage was 12%. In 1928 the wages were \$123,335 and the percentage 12%. In 1929 the wages were \$144,958 and the percentage of sales 11.8%. In 1930 the wages were \$157,519 and a percentage of 12.5%. In 1931 the wages were \$187,357, a percentage of ~~12~~ 14.6%. 1932, the wages were \$190,299 and the percentage 17.4%. 1933 the wages were \$210,749 and the percentage 17.7%. In 1934 the wages were \$194,940 and the percentage 20.5%. In 1935 the wages were \$180,753 and the percentage 24.4%. Now, I also asked you if you would prepare the same information but eliminate raw material costs, and I am showing you a statement of manufacturing wages compared with sales less raw material costs; is that the statement? A. That is the statement.

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Q. Exhibit 695, my lord?

THE COMMISSIONER: 695.

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EXHIBIT NO. 695: Grout's, Limited, statement of manufacturing wages compared with sales less raw material costs.

THE COMMISSIONER: What is it?

workers were included under the latter head?

THE COMMISSIONER: Time workers were considered

non-productive?

MR. BRYDIE: Yes.

MR. BRYDIE: I will now show you

all that was taken together.

BY MR. BRYDIE: That shows for 1925 -- 1

won't read your sales column because it is the same,

but the wages were \$20,887 and the percentage of sales

10.4%. In 1927 the wages were \$18,471 and the

percentage was 12%. In 1928 the wages were \$13,383

and the percentage 12%. In 1929 the wages were \$14,4

and the percentage of sales 11.8%. In 1930 the wages

were \$15,013 and a percentage of 12.5%. In 1931

the wages were \$18,737, a percentage of 14.6%.

1932, the wages were \$19,839 and the percentage 14.4%.

1933 the wages were \$21,749 and the percentage 17.7%.

In 1934 the wages were \$19,940 and the percentage 20.4%.

In 1935 the wages were \$18,753 and the percentage 24.4%.

Now, I also asked you if you would prepare the same

information but eliminate raw material costs, and I

showing you a statement of manufacturing wages compared

with sales less raw material costs; is that the state-

ment?

MR. BRYDIE: Yes, that is the statement.

THE COMMISSIONER: Yes.

MR. BRYDIE: I will now show you

of manufacturing wages co-

pared with sales less raw

material costs.

THE COMMISSIONER: What is it?



MR. KELLOCK: This statement, my lord, is the same as the last exhibit except that raw material costs are taken out and wages are compared with that.

THE COMMISSIONER: The one you are putting in now would be the volume of sales minus raw material costs?

MR. KELLOCK: Yes, my lord. It is comparing wages with the value added by manufacturing; that is really what it is.

THE WITNESS: The value added by manufacturing and profit.

Q. Everything? A. Yes, it is the whole difference between the raw material cost and the selling value of the product.

THE COMMISSIONER: Have you a copy of that?

MR. KELLOCK: Yes, I am sorry, my lord. Now, in 1926 your sales exclusive of raw material costs were \$434,368, but wages were \$80,537, or percentage of the sales was 18.5%. In 1927 the sales were \$486,821, the wages were \$103,471, or 21.2%. 1928 sales were \$608,112, the wages \$123,335, or 20.3% of sales. In 1929 the sales were \$692,838, the wages \$144,958 or 21% of sales. 1930, sales \$613,432, wages \$157,519 or a percentage of 25.7%. 1931 sales were \$801,509, wages \$187,357 or 23.4%. 1932, sales were \$708,592, wages \$190,299, or 26.9%. 1933, sales were \$707,622, wages \$210,749 or 29.8%. In 1934 sales were \$575,221, wages \$194,940 or 33.9%. In 1935 sales were \$515,627, wages \$180,753 or 35%. Now, apparently, Mr. Woodward, with the exception of the year 1931 the wages have been showing an increasing percentage of the net -- or you

MR. KILGORE: This statement, my lord, is the

same as the last exhibit except that raw material

costs are taken out and wages are compared with that.

THE COMMISSIONER: The one you are putting in now

would be the volume of sales minus raw material costs?

MR. KILGORE: Yes, my lord. It is comparing

wages with the value added by manufacturing; that is

really what it is.

THE COMMISSIONER: The value added by manufacturing

profit.

A. Yes, it is the whole

difference between the raw material cost and the

selling value of the product.

THE COMMISSIONER: Have you a copy of that?

MR. KILGORE: Yes, my lord, I have it.

1936 your sales exclusive of raw material costs were

\$434,368, but wages were \$80,687, or percentage of

the sales was 18.5%. In 1937 the sales were \$486,821,

the wages were \$108,471, or 21.2%. 1938 sales were

\$506,112, the wages \$125,555, or 24.8% of sales. In

1939 the sales were \$592,828, the wages \$144,958 or

24% of sales. 1940, sales \$613,422, wages \$157,519

or a percentage of 25.7%. 1941 sales were \$801,503,

wages \$187,357 or 23.4%. 1942, sales were \$708,582,

wages \$180,227, or 25.4%. 1943, sales were \$707,522,

wages \$180,227, or 25.4%. 1944, sales were \$715,227,

wages \$180,227, or 25.4%. 1945, sales were \$715,227,

wages \$180,227, or 25.4%. 1946, sales were \$715,227,

wages \$180,227, or 25.4%. 1947, sales were \$715,227,

wages \$180,227, or 25.4%. 1948, sales were \$715,227,

wages \$180,227, or 25.4%. 1949, sales were \$715,227,

wages \$180,227, or 25.4%. 1950, sales were \$715,227,



might say of the pocket from which everybody interested in the company is paid after the raw materials are out of the way?

A. That is correct.

Q. Then, my lord, for convenience only, I have a statement here which tells that story on one page. It shows the period 1926 to 1935 and shows the sales and the wages in money and in percentage of sales. It shows the administration and office salaries and bonuses in money and in percentage and the net profits in money and in percentage.

THE COMMISSIONER: Sort of a recapitulation?

MR. KELLOCK: Yes, my lord. Exhibit 696, my lord.

EXHIBIT NO. 696: Grout's Limited, statement showing sales, wages in money and percentage of sales, administration and office salaries and bonuses in money and in percentage, net profits in money and in percentage.

BY MR. KELLOCK: Q. I also asked you, Mr. Woodward, if you would prepare for the last three years of your operations a statement showing the average wages of mill workers earning under one thousand dollars based on the whole 52 weeks of the year, and also the time actually worked, and I am showing you this statement; is that the statement you have prepared?

A. Yes, that is the one.

THE COMMISSIONER: 697.

EXHIBIT NO. 697: Grout's Limited, statement of average wages of mill workers under one thousand dollars and actual loom hours per year.

THE COMMISSIONER: A statement of mill operatives?

might say of the pocket from which everybody interested  
in the company is paid after the new materials are on  
of the way? A. That is correct.

Q. When, my lord, for convenience only, I have  
a statement here which tells that story on one page.  
It shows the period 1936 to 1938 and shows the sales  
and the wages in money and in percentage of sales.  
It shows the administration and office salaries and  
business in money and in percentage and the net profits  
in money and in percentage.

THE COMMISSIONER: Sort of a recapitulation?

EXHIBIT NO. 680:  
Grant's Limited, statement  
showing sales, wages in  
money and percentage of  
sales, administration and  
office salaries and business  
in money and in percentage,  
net profits in money and  
percentage.

Q. Now, my lord, in 1938, Mr.  
Woodward, if you would prepare for the last three  
years of your operations a statement showing the  
average wages of mill workers earning under one  
thousand dollars based on the whole 36 weeks of the  
year, and also the time actually worked, and I am  
showing you this statement; is that the statement you  
have prepared? A. Yes, that is the one.

THE COMMISSIONER: 687.  
EXHIBIT NO. 687:  
Grant's Limited, statement  
of average wages of mill  
workers earning under one  
thousand dollars and actual hours  
worked per year.

THE COMMISSIONER: A statement of mill operations



MR. KELLOCK: This is a statement of the average wages per week per person of all mill workers earning under \$1,000 and the actual loom hours worked in the same period.

5 THE COMMISSIONER: 1933 to 1935?

MR. KELLOCK: Yes, my lord. Mr. Woodward, that shows that in the year 1933 a mill worker earning under one thousand dollars at that time earned on a week the average \$14.00/throughout the whole year?

10 A. Yes, that is true, including about two weeks holidays which, of course, are not taken into account. The annual earnings are divided by the number of employees and by 52 weeks.

15 Q. What about those two weeks; do they get holidays with pay or without pay? A. No, without pay in the majority of cases.

BY MR. McFUR: Q. Then, this figure is too high in that respect? A. No, this figure is correct. It shows the correct weekly earnings on an annual basis. You multiply these figures by 52 and you will find the annual earnings of the individual.

20 BY THE COMMISSIONER: Q. He earned it in 50 weeks, as a matter of fact? A. Pardon?

25 Q. As a matter of fact, he earned it in 50 weeks? A. Yes, that is correct. His actual earnings per week will be higher than will be shown by this statement.

30 BY MR. KELLOCK: Q. In 1933 then he earned \$14.00 and in 1934 \$12.60 and in 1935 it dropped to \$11.70. You say that as between 1933 and 1934 the fall was

MR. KILBICK: This is a statement of the average  
wages per week per person of all mill workers earning  
under \$1,000 and the actual loom hours worked in the  
same period.

THE COMMISSIONER: 1933 to 1934?  
MR. KILBICK: Yes, my lord. Mr. Woodward,  
first shows that in the year 1933 a mill worker earned  
under \$1,000 and the actual loom hours worked in the  
same period.  
the average \$14.00 throughout the whole year?  
A. Yes, that is true, including about two weeks holi-  
days which, of course, are not taken into account.  
The annual earnings are divided by the number of  
employees and by 52 weeks.

Q. What about those two weeks; do they get  
holidays with pay or without pay? A. No, without  
pay in the majority of cases.

BY MR. KILBICK: A. Then, this figure is too high  
in that respect? A. No, this figure is  
correct. It shows the correct weekly earnings on an  
annual basis. You multiply these figures by 52 and  
you will find the annual earnings of the individual.

BY THE COMMISSIONER: A. He earned it in 50  
weeks, as a matter of fact? A. Pardon?  
Q. As a matter of fact, he earned it in 50

weeks? A. Yes, that is correct. His  
actual earnings per week will be higher than will be  
shown by this statement.

BY MR. KILBICK: A. In 1933 then he earned \$14.  
and in 1934 \$14.00 per week? A. Yes, my lord.  
You say that as between 1933 and 1934 the fall was

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10% and as between 1934 and 1935 the drop was 7%, and as between the two years, 1933 to 1935, 16%. Now, going to the column headed "actual loom hours per year".

Will you explain what that column is? A. The

5 figures shown in the column headed "actual loom hours per year" is arrived at by multiplying the number of looms by the number of hours during which each loom worked through the year. That is what we call in the industry loom hours per annum.

10 Q. And it shows then the number of hours which the worker actually worked in the year on the average?

A. That is correct. It is as accurate an index of productive activity throughout the whole plant as can be arrived at.

15 Q. Why is that so? A. Because of fabrics -- let me start again. All production has to pass through

20 the looms. Subsidiary machinery is employed to bring it up to a certain place but it cannot become fabric without passing through the looms. The looms are the bottle-neck through which all production has to pass.

Q. And therefore they reflect the actual employment? A. That is so.

25 Q. Now, the loom hours in 1933 were 838,000; they fell in 1934 to 796,000 and again in 1935 to 747,000. As between 1933 and 1934 there was a reduction in loom hours of 5% and as between 1934 and 1935 a reduction of 6%, and as between 1933 and 1935 period 11%. Well now, while the employee's average earnings dropped 16% 11% of that drop is due to the

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10% and as between 1974 and 1975 the drop was 7%, and  
as between the two years, 1975 to 1976, 10%. Now,  
going to the column headed "actual loom hours per year"  
Will you explain what that column is?  
Figures shown in the column headed "actual loom hours  
per year" is arrived at by multiplying the number of  
looms by the number of hours during which each loom  
worked through the year. That is what we call in  
the industry loom hours per annum.  
Q. And it shows that the number of hours which  
the worker actually worked in the year on the average  
A. That is correct. It is an average on index of  
productive activity throughout the whole plant as compared  
to the average.  
Q. Why is that so? A. Because of strikes --  
let me start again. All production has to pass through  
it up to a certain place but it cannot become fabric  
without passing through the looms. The looms are the  
bottle-neck through which all production has to pass.  
Q. And therefore they reflect the actual employment  
A. That is so.  
Q. Now, the loom hours in 1975 were 806,000;  
they fell in 1974 to 796,000 and again in 1976 to  
747,000. As between 1973 and 1974 there was a  
reduction in loom hours of 5% and as between 1974 and  
1975 a reduction of 1%, and as between 1975 and 1976  
a drop of 5%.

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fact that he worked shorter time? A. Yes, I would prefer to put it 11 of the 16%, not 11% of the drop, 11 out of 16%, which is approximately 66 to 70% of the drop.

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BY THE COMMISSIONER: Q. Then, as far as the wages were concerned the reduction was only 5%?

A. Yes, the reduction in actual ~~xx~~ hourly wage rates is shown by these figures to have been 5% only over the three year period referred to.

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BY MR. KILLOCK: A. Now, just a question or two,

Mr. Woodward; my friend was drawing a comparison in the case of the Valleyfield Company between the dividend at \$20,000 on common shares in the year 1935 and an amount of \$19,100 paid to executive officers and directors' remuneration. Is there any identity between the directors and the shareholders?

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A. The directors are in all cases representatives of the shareholders. The whole shareholder body is represented on the directorate.

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Q. That is, that every shareholder is also on the board? A. Every shareholder is

present at every annual meeting and approves of every dividend paid and also has definitely approved of all policies in reference to executive salaries or bonuses.

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BY THE COMMISSIONER: Q. Does that mean that the number of shareholders is limited? It is very small?

A. Effectively, my lord, it is only two

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49% and 51%.

Q. Two companies?

A. Just two companies, at

and he was elected at that time?

Yes, to the 11 of the 1908, and 11 of the 1909, and 11 of the 1910, which is approximately 30 to 40% of the

BY THE COURT: Yes, I think, as far as the

number were concerned the proportion was only 30%

as far as the number of shares is concerned, as far as the

is known by these figures to have been 30% only over

and some 10% of the shares

BY MR. BRADY: Yes, that is a question of 10%

Mr. Braden; he tried to get a corporation

in the case of the Bell Telephone Company between the

dividend of \$20,000 or common shares in the year 1908

and an amount of \$10,000 paid to executive officers

and directors, respectively. Is there any identity

between the directors and the shareholders?

The directors are in all cases the shareholders

the shareholders. The whole thing is done by the

management of the company

BY THE COURT: That every shareholder is also a

shareholder is

present at every annual meeting and approve of every

dividend paid and also has definitely approved of

all policies in reference to executive salaries

BY THE COURT: Does that mean that

the number of shareholders is limited? It is very

effectively, as far as it is only

and that is

and that is



a few shares out in the hands of directors for qualifying.

5 BY MR. KELLOCK: Q. In other words, the shareholders voting for directors' fees and for a dividend are voting for themselves in each case? A. Exactly.

10 Q. Now, my friend spoke about the employees' benefit fund which you set up in the case of Grout's Limited, and followed through the history and you pointed out that -- rather you gave evidence that the calls on that fund over the years had been small; you told my friend that there were no cases of need that you knew of in the period that had not been met. I want to ask you, Mr. Woodward, have you any policy enabling employees to get in touch with the management, 15 not only in case of need or destitution, but on any subject they want to take up with the management. Is there any invitation to the employees to do that sort of thing? A. That has been a very

20 commonly understood policy of the company since its inception; as a matter of fact there is now, and has been for several years, a notice on the bulletin board pointing out that it is the intention of the company to pay -- this is an instance of our attitude --

25 pointing out it is the intention of our company to pay in all cases the minimum wages or substantially better; that if, in any case, the employee has reason to suppose he is not being paid the full amount of wages that he should by law be paid, then he is invited, not to take 30 it up with any of the departmental foremen, although

a few shares out in the hands of directors for their

BY MR. ELLIS: In other words, the shares

holders voting for directors, and for a dividend

are voting for themselves in such cases?

A. Now, my friend, make about the same

benefit that which you set up in the case of a

limited, and followed through the history and you

pointed out that -- rather you gave evidence that the

calls on that fund over the years had been small; you

told my friend that there were no cases of need that

you knew of in the period that had not been met. I

want to ask you, Mr. Woodward, have you any policy

enabling employees to get in touch with the management

not only in case of need or destitution, but on any

subject they want to take up with the management. Is

there any invitation to the employees to do that sort

of thing?

A. That has been a very

commonly understood policy of the company since its

inception; as a matter of fact there is now, and has

been for several years, a committee on the bulletin board

pointing out what it is the interests of the company

to say -- this is an instance of our attitude --

pointing out it is the intention of our company to

is all right, the company is in a position to

that if, in any case, the employee has reason to suppose

he is not being paid the full amount of wages that he

would be if he paid, then he is invited, not to

it is all right in the company's interest



they are perfectly free to do that, but to come to Mr. Watson, the managing director, himself.

BY THE COMMISSIONER: Q. You say the intention is to pay them the minimum wages or what?

5 A. Or substantially better.

Q. What do you mean by minimum wages?

A. Under the Minimum Wage Act of Ontario, my lord.

MR. McRUER: That just applies to women.

BY THE COMMISSIONER: Q. It applies only to women?

10 A. It applies to women or men who replace any women in that operation.

Q. Of course, you cannot help yourselves but pay that much?

15 A. That is so, my lord, but in a good many cases our feeling was that it is a rather difficult act to apply and we wanted to be very careful we paid at least that, and there were a number of employees that misunderstood the act and felt they had not been paid as much as they should, and this was an invitation to discuss it with the major executive of the company. I used that instance, my lord, merely to point out -- merely as an instance that the policy of the company has, in all cases, been one of direct contact between the employee and the main executive of the mill.

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Q. Apart from that, apart from mistakes and misunderstandings about the minimum wage law were other matters open for discussion between the employees and the superintendent?

30 A. Continually, my lord, between both -- either the superintendent or managing director,

they are perfectly free to do that, but to come to us.  
... the ...

... is to pay them the minimum wages or what?

A. Or substantially better.

Q. What do you mean by minimum wages?

A. Under the minimum wage act of Ontario, my lord.

My lord, that just applies to women.

BY THE CHIEF JUSTICE: It applies only to women?

A. It applies to women or men who replace any woman.

...

4. Of course, you cannot help yourselves but

pay that money.

A. That is so, my lord, but

in a good way, we are not feeling that it is a

rather difficult act to apply and we wanted to be very

careful we paid at least that, and there were a number

of employees that misunderstood the act and felt that

had not been paid as much as they should, and this was

an invitation to discuss it with the major executive

of the company. I used that instance, my lord, more

to point out -- namely as an instance that the policy

of the company was, in all cases, been one of direct

contact between the employee and the main executive

of the mill.

...

misunderstandings about the minimum wage law were

other matters open for discussion between the employees

and the superintendent?

A. Certainly, my lord.

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Q. Well, you better proceed, Mr. Kellock.

BY MR. KELLOCK: Q. Have you information of instances not connected with payment merely of the minimum wage or explaining what the minimum wage was, that were taken up by the employees directly either with yourself or with Mr. Watson? A. Oh yes, there are a great many instances when an employee will be in financial -- temporary financial difficulties. In a number of cases an advance has been made by the company and in some cases an advance has been made either by Mr. Watson or myself, personally. In a number of cases they have been in some kind of legal technical difficulty, possibly with regard to the purchase of a house or something like that. They have always felt free and in a number of cases have actually done so, felt free to discuss with me or Mr. Watson the situation as it existed and obtain from us our advice with regard to the manner in which it should be handled.

Q. And knowing what you do as to your policy and practice, if there had been any other cases of any need over the years do you think they would have been brought to your attention? A. Any other case of extreme need -- I don't mean that to exclude ordinary need -- but any other case of real need in which any employee had felt we could possibly help would, I am sure, have been called to our attention.

Q. Alright, thank you.

Q. Well, you better proceed, Mr. Wooten.

BY MR. WOOTEN: I have your information of

instances not connected with payment merely of the  
minimum wage or explaining what the minimum wage was,  
that were taken up by the employees directly either

with yourself or to Mr. Wooten?

A. I don't know. I don't know when an employee will be

in financial -- temporary financial difficulties.

In a number of cases an advance has been made by the

company and in some cases an advance has been made

either by Mr. Wooten or myself, personally. In a

number of cases they have been in some kind of legal

technical difficulty, possibly with regard to the

purchase of a house or something like that. They

have always felt free and in a number of cases have

actually done so, felt free to discuss with me or

Mr. Wooten the situation as it existed and obtain

from me out advice with regard to the manner in which

it should be handled.

Q. And knowing what you do as to your policy

and practice, if there had been any other cases of an

need over the years do you think they would have been

brought to your attention? A. Any other case of

extreme need -- I don't mean that to exclude extreme

need -- but any other case of real need in which any

employee has felt we could possibly help would, I am

sure, have been brought to your attention.

Q. All right, thank you.

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BY MR. McRUER:

Q. Of course, under the policy you are following now in respect to the employees' benefit fund they have no claims of any sort on it? A. They never had any claim, Mr. McRuer, and they still have the moral claim they have always had.

Q. You are making no provision for old age or anything of that sort? A. That is true; we have never at any time made any provision for old age.

Q. Or sickness or anything of that sort? A. Nothing apart from what I have just outlined.

Q. Out of the \$11.70 a week average earnings of the employee he must provide for his doctor's bill and his family's doctor bill, and any other impairment to earning capacity; you are not claiming you are looking after any of that sort of thing? A. We are making no claims to that sort of thing at all.

Q. Now, to deal with your last exhibit first; please be good enough to go back to 1926 with this comparative information, the average earnings of the employees per week for a year instead of starting in 1933. A. Would you mind giving me the number of the exhibit?

Q. 697.

THE COMMISSIONER: It is the last one.

THE WITNESS: I have it, thank you.

BY MR. McRUER: Q. Now, you can give us this information from 1926, can you not? A. I am sorry, we have done it for the full period that we can give it. We have no record of loom hours apart from

Q. Of course, under the policy you are following now in respect to the employees' benefits fund they have no claim of any sort on it? A. They never had any claim, Mr. McNamee, and they still have the money claim too, have always had.

Q. You are asking me to vision for all the employees of that sort? A. That is true; we

have never at any time made any provision for the employees of that sort?

A. Nothing apart from what I have just outlined.

Q. Out of the \$11.70 a week average earnings

of the employee he must provide for his doctor's bill and his family's doctor bill, and any other payments

to earnings equally; you are not claiming you are

looking after any of that sort of thing? A. We are

making no claim to that sort of thing at all.

Q. Now, to look at your last exhibit first; please be good enough to explain to me with this

comparative information, the average earnings of

the employees per week for a year instead of month in

in 1938. A. Would you mind giving me the

information from 1938, can you not?

Q. Now, you can give me this

information from 1938, can you not?

Q. I am

information from 1938, can you not?

Q. I am

information from 1938, can you not?

Q. I am

information from 1938, can you not?



the years that we have given.

Q. Leave the loom hours off and let us have the other information on the average earnings.

A. The weekly earnings?

5 Q. The average weekly earnings? A. I will be glad to give you that information. The only reason it was not set up over the whole period was that we could not compare it with loom hours, and therefore it was not a fair comparison. I wish to  
10 make that clear before I give you the information.

Q. Why didn't you keep the hours of labour before 1933; why didn't you keep the time of the employees?

A. For what reason?

15 Q. I am asking you why you didn't? A. Because we were not interested in it.

Q. You were not interested in knowing how much per hour your piece workers were earning?

20 MR. KELLOCK: I think there is a misunderstanding; when you say keep, do you mean keep a record as the work was done?

25 BY MR. McRUER: Q. Keep a record of the hours that the employees worked? A. Well, Mr. McRuer, I think you must admit it is up to the management of a company to decide what information is essential to the control of the company. That appears to have been of our decisions to make, that is the way we made it.

30 Q. Well, that is quite an arbitrary point of view, I grant you, but if you were interested in how your piece workers were making out, and whether they were

the years that we have given.

2. Leave the loose hours off and let us have

the other information on the average earnings.

A. The weekly earnings?

4. The average weekly earnings? A. I will

be glad to give you that information. The only

reason it was not set up over the whole period was

that we could not compare it with loose hours, and

therefore it was not a fair comparison. I wish to

make that clear before I give you the information.

9. Why didn't you keep the hours of labour before

1958; why didn't you keep the time of the employees?

A. For what reason?

10. I am asking you why you didn't? A. Because

we were not interested in it.

11. You were not interested in knowing how much

per hour your piece workers were earning?

MR. KWILLOCK: I think there is a misunderstanding

when you say keep, do you mean keep a record as the

work was done?

MR. KWILLOCK: I mean a record of the hours

that the employees worked?

A. Well, Mr. McNamee, I think you must admit it is up to the management of

a company to decide what information is essential to

the control of the company. That appears to have

been of our decisions to make, that is the way we

11.

12. Well, that is quite an arbitrary point of view

I grant you, but if you were interested in how your

piece workers were making out, and whether they were



even making a living wage one of the essential things to know would be to have the hours that they work?

5 A. You would not suggest, Mr. McRuer, that the most intelligent method of examining wages and making sure that wages are adequate is to keep a record of loom hours each year, and get once per annum the average for each employee instead of looking at the actual pay roll week by week and seeing what the individuals are making, would you?

10 Q. I don't know what you think; as far as the Minimum Wage Act is concerned since it has been made effective everybody is keeping the hours now, are they not? A. The Minimum Wage Act has, to my knowledge, been effective ever since its  
15 inception in Ontario.

Q. How could you show that your employees were getting the minimum wages unless you had the hours of labour? A. Don't you think you are  
20 rather confusing two issues again, Mr. McRuer. These are loom hours. That is a representative statement of the number of hours that the looms in the mill run ~~altogether~~ together with the number of looms that run on the day shift and on the night shift. Our records have  
25 at all times been complete with regard to the number of hours every employee clocks in. Every employee stamps a clock card, and we have, therefore, a complete record of the number of hours operated by each employee.

30 Q. Then, you can give us the hours operated by each employee because I understand on the returns

...and ...  
...the ...

A. You would not suggest, Mr. McNamara, that the most  
intelligent method of examining wages and making sure  
that wages are adequate is to keep a record of loom  
hours each year, and get once per annum the average  
for each employee instead of looking at the actual  
pay roll week by week and seeing what the individual

...  
Q. I don't know what you think; as far as  
the minimum wage act is concerned since it has been  
made effective everybody is keeping the hours now.

A. The minimum wage act has  
are they not?  
to my knowledge, been effective ever since its  
enactment.

Q. How could you show that your employees  
were getting the minimum wages unless you had the hours  
of labour?

A. Don't you think you are  
rather confusing two issues again, Mr. McNamara. The  
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of the number of hours that the looms in the mill run  
together with the number of looms that run on the  
day shift and on the night shift. Our records have  
at all times been complete with regard to the number  
of hours every employee clocks in. Every employee

...  
...  
...  
Q. Then, you can give us the hours operated by  
each employee ...



that we have received from you the answer we got was that prior to 1933 you could not give the hours?

A. That is quite correct. The records were considered immaterial at that age and have been destroyed several years ago.

Q. How many years ago were they destroyed?

A. Probably three, probably four, going back to the beginning of the year, 5, 6 or 7. We would never keep such records longer than after they had been examined by the factory inspector.

Q. You kept the pay rolls, didn't you?

A. Yes.

Q. You keep your hours of labour separate from the pay roll?

A. The hours of labour are shown on the time cards. Then it is the time cards that are destroyed.

Q. Are they not shown on the pay roll?

A. They are not shown on the pay roll.

Q. Are they shown on the pay roll now?

A. No.

Q. They are not?

A. No. The only -- may I make one further explanation? The only way in which we were able to give you the number of hours in the case of time workers was by dividing the rate, of which we had a record on the pay roll, into the total earnings in each particular week.

BY THE COMMISSIONERS: Q. That is the rate per hour?

A. The rate per hour into the total earnings for the week, yes, my lord.

BY MR. McRUER: Q. That would be for the rate

that we have received from you the answer we got was  
that prior to 1935 you could not give the hours?  
A. That is quite correct. The records were considered  
immaterial at that age and have been destroyed several  
years ago.  
Q. How many years ago were they destroyed?  
A. Probably three, probably four, going back to the  
beginning of the year, 5, 6 or 7. We would never keep  
such records longer than after they had been examined  
by the factory inspector.  
Q. You kept the pay rolls, didn't you?  
A. Yes.  
Q. You keep your hours of labour separate from  
the pay rolls?  
A. The hours of labour are  
shown on the time cards. When it is the time cards  
that are destroyed.  
Q. Are they not shown on the pay rolls?  
A. They are not shown on the pay rolls.  
Q. Are they shown on the pay roll now?  
A. No.  
Q. They are not?  
A. No. The only -- way  
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which we were able to give you the number of hours in  
the case of time workers was by dividing the rate, of  
which we had a record on the pay roll, into the total  
earnings in each particular week.  
BY THE COMMISSIONER: That is the rate per  
hour?  
A. The rate per hour into the total  
earnings for the week, yes, my lord.  
BY THE COMMISSIONER: That would be for the rate

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workers only?

A. That would be for the time workers. That is why our returns include that information only.

5 Q. So that when we are comparing the record of your company with the records of other companies in regard to wages we cannot, of course, have that evidence?

A. I very much regret it but that is a fact.

10 Q. Well, let us have the average earnings back since 1926?

A. Prepared on the same basis, that is, divided by the number of employees and by 52 the average earnings per individual in the classification mill workers up to and including one thousand per annum is as follows: -- or the figures are as follows, I don't know just how to put it. The year 15 1926, \$14.50; 1927, \$15.10; 1928, \$15.15; 1929, \$14.90; 1930, \$14.00; 1931, \$14.30; 1932, \$14.00; 1933, \$14.-- well, that runs into the list that you have now.

20 Q. So that the average rate that prevailed in the year ~~1928~~ 1928 was \$15.15 as against an average rate of \$11.70 to-day?

A. That is correct.

25 Q. Now, my friend examined you in respect to administrative and office salaries, exhibit 696 -- oh, 696 is the summary, yes. 693, and 694 is the summary as to wages. I will deal with 694 first which is wages. In 1935 apparently there was paid out in wages \$180,753. Where does one get that figure on your return to the accountant?

30 THE COMMISSIONER: Pardon me just a minute; what year did you refer to?

workers only? A. That would be for the time  
workers. That is why our returns include that in-  
clusion only.

Q. So that when we are comparing the record of  
your company with the records of other companies in  
regard to wages we cannot, of course, have that  
evidence? A. I very much regret it but

that is a fact.  
Q. Well, let us have the average earnings per  
A. Prepared on the same basis  
since 1922?

that is, divided by the number of employees and by 365  
the average earnings per individual in the class-  
fication will workers up to and including one thousand  
and above is as follows: — in the year 1922  
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MR. McRUER: Exhibit 694.

THE COMMISSIONER: What year?

MR. McRUER: 1935, \$180,753.

THE COMMISSIONER: Oh yes, the last year.

THE WITNESS: That is the sum of the ~~two~~  
figures we were discussing yesterday.

BY MR. McRUER: Q. You take the sum of the  
productive and non-productive labour? A. That is  
it, the sum of those two figures on sheet number one  
of the profit and loss account.

Q. You cannot tell me/how many employees that  
was distributed? Of course, that would be a bit  
difficult? A. No, it ties in, of course,  
with that other report -- no, that is for one week  
only; no, I regret I haven't that information.

Q. I suppose it ties in with 697, that is the  
average weekly wage; you have reduced 697 to the  
weekly wages, and divided it among the number of  
employees? A. I don't understand your  
reference to 697.

Q. Well, 697, the average is \$11.70 a week, which  
would be for a two week period -- a fifty-two week  
period?

A. Well, the two exhibits refer  
to entirely different matters, Mr. McRuer. The one  
refers to employees up to and including one thousand  
dollars per annum. The other covers all mill employees,  
whether over or under one thousand.

Q. Yes, this covers all mill employees?

A. Quite.

Q. Now, to take up 693, in the year 1928 you have

THE COMMISSIONER: What year?  
THE COMMISSIONER: Oh yes, the last year.  
THE WITNESS: That is the end of the tax  
figures we were discussing yesterday.  
BY MR. MURPHY: Do you take the sum of the  
productive and non-productive labour?  
A: That is  
it, the sum of those two figures on sheet number one  
of the profit and loss account.  
A: You cannot tell me how many employees that  
was distributed of course, that would be a bit  
A: No, it ties in, of course,  
difficult?  
with that other report -- no, that is for one week  
only; no, I regret I haven't that information.  
A: I suppose it ties in with 1937, that is the  
average weekly wage; you have reduced 1937 to the  
weekly wages, and divided it among the number of  
employees?  
A: I don't understand you.  
A: Well, 1937, the average is \$11.70 a week, which  
would be for a two week period -- a thirty-two week  
period?  
A: Well, the two exhibits refer  
to the same thing, the same thing.  
A: Yes, this covers all mill employees?  
A: Quite.  
A: Now, to take up 1938, in the year 1938 you

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Woodward,

just given me the average mill worker's salary was \$15.15; looking at 693, administration and office salaries and bonuses in 1928 amounted to \$39,877. In 1931 the average mill worker's wage was \$14.30, and the administration and office had jumped to \$42,571. There is an upward grading of administration and office salaries and a downward grading of employees? A. Would you not care to compare it also with 1930 in which administration and office went down to \$26,000, dropped \$14,000 from \$40,000 to \$26,000.

Q. Well, is there any particular explanation of that or any particular explanation of the high figure in 1931? A. I think you will find a direct relationship between that and net profits; as we have explained to you the system of remuneration to executives is on a profit sharing basis.

(page 9385 follows)

9388

Woodward,

just given me the average mill worker's salary was \$15.15; looking at 1955, administration and office salaries and bonuses in 1958 amounted to \$39,877. In 1951 the average mill worker's wage was \$14.30, and the administration and office had jumped to \$45,571. There is an upward grading of administration and office salaries and a downward grading of employees? A. Would you not care to compare it also with 1950 in which administration and office went down to \$26,000, dropped \$14,000 from \$40,000 to \$26,000. Q. Well, is there any particular explanation of this or any particular explanation of the high figure in 1957? A. I think you will find a direct relationship between that and net profits; as we have explained to you the system of remuneration to executives is on a profit sharing basis.

(page 9388 follows)

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Q. Is that worked on the basis of net profits or on the basis of gross profits? A. It is not worked on the basis of gross profit before depreciation or administration expenses, if that is what you mean? It is worked on the basis of net amount available for depreciation at the end of the trade period.

Q. After depreciation? A. Yes. A different figure altogether from net profit from sales because it includes income from investments.

Q. When you were discussing the question of percentage of net profits over a period of years --

THE COMMISSIONER: That is 692.

Q. And comparing it with the percentage of sales I see in the year 1931, for instance, the net profit is \$137,990 and you increase the depreciation allowance by \$6,000 that year? A. Would undoubtedly be due to installation of machinery during the preceding year.

Q. Well then, in 1931 it was \$44,263 and 1932, \$41,235, in 1933, \$27,339. If your increase in depreciation was due to the installation of machinery why did it decrease in 1933, two years later? A. In 1933 we had just been in business approximately 10 years and the first machinery installed started to be written off. We have at no time altered the rate of depreciation taken. Any alteration in the rate of depreciation has been devoted entirely to

... Is that worked on the basis of net profits  
or on the basis of gross profits? A. It is  
not worked on the basis of gross profit before

what you mean? It is worked on the basis of net  
amount available for depreciation at the end of the

After depreciation? A. Yes. A little bit  
differ from net profit from sales account is

Q. When you were discussing the question of  
percentage of net profits over a period of years --  
THE COMMISSIONER: That is 82%.

I see in the year 1951, for instance, the net profit  
\$187,920 and you increase the depreciation allowance  
by \$4,000 that year? A. Would undoubtedly be

due to installation of machinery during the previous  
year.

A. Well then, in 1951 it was \$44,283 and 1952,  
\$41,233, in 1953, \$37,233. If your increase in

depreciation was due to the installation of machinery  
any did it decrease in 1953, two years later? A. In  
1953 we had just been in business approximately 10

and the first machinery installed was in 1951  
... we have to see how the depreciation is calculated  
... the depreciation is calculated on the basis of

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installation or writing off after original equipment.

Q. Of course your net profits, the percentage to sales must always be considered in the light of the depreciation that is first deducted and the amount that has been deducted for executive salaries?

A. That is the same point that you made yesterday and I agreed then.

Q. For instance, in 1931 I think the Chief Executive salary was --- A. Are you mentioning an individual salary?

Q. \$22,000, was not it, as compared with very much less in 1930, which was \$19,864. Now, that makes a very substantial difference when you are comparing rates of net profits, does not it, one year against the other? A. One, of course, is the result of the other.

Q. One is the result of the other but when you are coming to compare the rate of net profit per dollar of sales how much at first has been taken out for executive salary is a very important thing, one year against the other? A. Yes, you would alter the comparison to some extent but the point I make is that the executive salaries were high in one year because the profits available for distribution were correspondingly high and vice versa. You do alter the comparisons to some extent, there is no question about that?

Q. Well, in 1935 the same salary was \$13,070.

... of course your net profits, the percentage  
to sales must always be considered in the first of  
the comparison that is first deducted and the amount  
that has been deducted for executive salaries?  
A. That is the same point that you made yesterday  
and I agree with you.  
For instance, in 1931 I think the total  
executive salary was --  
on individual salary?  
A. \$20,000, was not it, as compared with very  
much less in 1930, which was \$12,800. Now, that  
makes a very substantial difference when you are  
comparing rates of net profits, does not it, and you are  
against the other?  
A. One, of course, is the  
result of the other.  
One is the result of the other but when  
you are coming to compare the rate of net profit  
the dollar of sales how much of that has been taken  
out for executive salary is a very important thing.  
A. Yes, you would  
one year against the other?  
after the commission to some extent but the point I  
make is that the executive salaries were high in one  
year because the profits available for distribution  
were so correspondingly high and vice versa. You do  
not see any relation to the point, does it?  
... in 1931, in fact the net profit was \$1,000,000.

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Of course, there we come into the split between the two companies, makes a little difference? A. That is correct.

Q. Take the five years previous to 1930 and the five years since 1930, the business of the company was very much more profitable during the previous five years than the last five years? A. That is very true.

Q. And the wage-earner fared very much better as well? A. That is true. We endeavoured to share our prosperity.

MR. KELLOCK: Q. Just one question. In those figures that you gave my friend in 1926 to 1932, the average earnings per week of those earning under a thousand, my friend pointed out the shrinkage - I understand you are not able to say to what extent the time work is an element in the reduction of average earnings per week? A. I regret that that is a fact.

THE COMMISSIONER: Will you call Mr. Watson?

MR. McRUER: Yes.

-- Adjourned at 11.25 A.M.

-- On resuming at 11.50 A.M.

MR. McRUER: Q. Mr. Woodward, have you got the figure for 1936, that is the year ending -- is the 31st of August the end of your fiscal year? A. The end of August, the 29th or 31st.

Q. 31st of August, 1936, that would show the

Of course, there was some into the split between the  
two companies, makes a little difference?  
A. That  
is correct.

Q. Take the five years previous to 1930 and the  
five years since 1930, the business of the company  
was very much more profitable during the previous five  
years than the last five years?  
A. That is very  
true.

Q. And the wages were paid very much better in  
the last five years?  
A. That is true.

Q. Now, Mr. Wilson, just one question. In those  
figures that you gave my friend in 1930 to 1931, the  
average earnings per week of those earning under a  
thousand, my friend pointed out the shrinkage -  
I understand you are not able to say to what extent  
the time work is an element in the reduction of average  
earnings per week?  
A. I regret that that is a  
fact.

Q. Now, Mr. Wilson, will you tell me, please?

-- Adjusted at 11.30 A.M.  
-- On receiving at 11.30 A.M.

There for 1930, that is the year ending -- is the  
end of your fiscal year?  
A. Yes, the 31st of March.



average weekly earnings, the same as we have in 697?

5 A. I could prepare it. No, I have not the figures but I think I could prepare it but those figures are made up - all our wage records are run on a calendar basis so that the year is not complete. I could make it up for period for you.

Q. How do you mean run on a calendar basis?

10 A. The figures given in the Return are based on total calendar earnings, total earnings per calendar year of the employees.

Q. They are not per fiscal year? A. No.

15 BY THE COMMISSIONER: Q. Those are government returns you are talking of? A. The returns to the Commission, yes.

MR. McRUER: Q. But the returns you make to the Government are based on your fiscal year, are not they, to the statistical department? A. The income returns?

20 Q. No, to the statistical department.

THE COMMISSIONER: That would be calendar year.

Q. Do you make such returns? A. To the statistical department?

25 Q. Yes? A. Yes, sir.

Q. Are they not calendar year figures? A. Yes.

30 As a matter of fact, we have always felt that to give the figures that are made up on a fiscal year, on a fiscal year basis and those figures made up on calendar year on calendar year basis were quite close enough for

Q. Now do you mean that on a calendar basis  
A. I could prepare it. No, I have not the figures  
but I think I could prepare it but those figures are  
made up - all our wage records are run on a fiscal  
basis so that the year is not complete. I could make  
it up for period for you.

Q. Now do you mean that on a calendar basis  
A. The figures given in the return are based on total  
calendar earnings, total earnings per calendar year  
of the employees.

Q. They are not for fiscal year?  
BY THE COMMISSIONER: A. Those are Government  
returns you are talking of?  
A. The returns  
the Commission, yes.

Q. Now, A. That the returns you mean to the  
Government are based on your fiscal year, are not they?  
A. The income  
to the statistical department?

Q. No, to the statistical department.  
A. That would be calendar year.  
Q. Do you make such returns?  
A. To the

Q. Are they not calendar year figures?  
A. Yes

Q. Now, A. That the returns you mean to the  
Government are based on your fiscal year, are not they?  
A. The income  
to the statistical department?



the purpose of the Bureau.

SECRETARY WHITELEY: Q. It is a mixed return?

A. Yes, but the effect of it would be very slight.

5 MR. McRUER: Q. You can give me figure that would show average figure down to August 31st, 1936?

A. I think that can be done.

Q. I would like to have that? A. I would be glad to do that.

10 Q. Could you tell me off-hand whether it is an increase or decrease on the \$11.70? A. I think it would be a decrease because we have worked even less hours during that period than before.

15 Q. Yes, but you figure it out to the loom hours and it will be worked on the same basis as this.

THE COMMISSIONER: Per hour.

15 MR. McRUER: Per hour. A. Yes. That, of course, is not prepared on loom work basis, that is prepared on week.

20 Q. But you could give me week hour basis?

A. I think I could give you comparison between weekly hours on wages under \$1,000 only as compared with the loom hour for the period.

25 Q. And could you give us the same figures for the Valleyfield mill? A. I think that should be done. The Valleyfield Mill would take a little longer because those records would have to come from Valleyfield.

30 Q. If you would make it up and send it on to us.

Q. It is a mixed picture.

A. Yes, but the effect of it would be very slight.

MR. MORRIS: You can give me figures that would

show average figures down to August first, 1935?

A. I think that can be done.

Q. I would like to have that?

A. I would be glad

to do that.

Q. Could you tell me off-hand whether it is

an increase or decrease on the 11,700? A. I think

it would be a decrease because we have worked even

less hours during that period than before.

Q. Yes, but you figure it out to the 1000 hours

and it will be based on the same basis as this.

MR. MORRIS: Per hour. A. Yes, that, or

course, is not prepared on 1000 work basis, that is

prepared on week.

Q. But you could give me week hour basis?

A. I think I could give you comparison between weekly

hours on wages under 11,000 only as compared with the

1000 hour for the period.

Q. And could you give me the same figures for the

Valleyfield mill? A. I think that should be

done. The Valleyfield Mill would have a little longer

period than the other mills.

Q. It has been said it is not a fair



I would like to compare average wage in St. Catharines with the average wage in Valleyfield worked out on the same basis?

A. I will endeavour to prepare them exactly on the basis you require.

Q. Can you give us your financial statement up to the end of August, 1936?

A. No, I cannot. The inventory has not been completely valued yet.

Q. And in the valuation of your inventory what policy do you go on in respect to the valuation of inventory?

A. Invariably market or cost, whichever is lower.

Q. And do you take into consideration prospective market in valuing your inventory or your opinions of prospective market?

A. We do not except that we are of the opinion that a particular fabric is out of season. Fabrics are subject to a very high style consideration. If we are of the opinion that a particular fabric is out of style and we know it will have to be sold then, of course, the market, apart from the raw material cost or apart from the general state of the market, the market for that particular fabric must of necessity be low.

Q. We have had evidence of this in this inquiry - that one large firm after the budget came down this year and after their books were closed for the previous year and their financial statement made up, went back and re-wrote their inventory and wrote off \$100,000 or \$150,000 off the inventory on a sort of

I would like to compare average wage in St. Catharines  
with the average wage in Valleyfield worked out on the  
same basis? A. I will endeavor to prepare  
them exactly on the basis you require.  
.. Can you give us your financial statement up  
to the end of August, 1935? A. No, I cannot.  
The inventory has not been completely valued yet.  
.. And in the valuation of your inventory what  
policy do you go on in respect to the valuation of  
inventory? A. Invariably market or cost, which-  
ever is lower.  
.. And do you take into consideration prospective  
market in valuing your inventory or your opinions of  
prospective market? A. We do not except that  
we are of the opinion that a particular fabric is  
out of season. Fabrics are subject to a very high  
style consideration. If we are of the opinion that  
a particular fabric is out of style and we know it will  
have to be sold then, of course, the market, apart  
from the raw material cost or apart from the general  
state of the market, the market for that particular  
fabric must of necessity be low.  
.. We have had evidence of this in this  
industry - that one large firm after the biggest came  
down this year and after their books were closed for  
the year they had a very large inventory and wrote off  
a very large amount of it.

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prospective idea of what effect it might have?

A. I am prepared to swear that nothing of that kind has taken place in any of our statements.

Q. You do not do that in your statement?

A. Nothing of the kind at all.

BY MR. KELLOCK:

Q. Is this clear: That the figures my friend is asking you to get and the figures you have already given as to the average earnings of Grout's Limited from 1926 to 1932 are on the same basis as 697 - that is, they only cover mill workers' earning under \$1,000?

A. That is my understanding, they only cover the lowest paid of all the employees, and include such low-paid wages as learners and people actually coming into the mill and we actually endure a loss on teaching them to do the job.

Q. That is quite different then to the average earnings of mill employees? A. Oh, very different thing.

BY MR. McRUER:

Q. Has not there been some fomentation of a strike at your mill recently? A. None whatever that I heard of.

Q. Any complaints to you about it? A. There have been discussions with Mr. Watson in regard to wage rates. Those are inevitable, of course, between labour and management. Nothing unusual.

Q. I want to know whether there are complaints at

prosecutive idea of what effect it might have

A. I am prepared to swear that nothing of that kind

has taken place in any of our statements.

Q. You do not do that in your statement?

A. Nothing of the kind at all.

BY MR. KILLEN:

Q. Is this claim: That the figures my friend

is asking you to get and the figures you have already

given as to the average earnings of Grant's Limited

from 1936 to 1938 are on the same basis as 1937 - that

is, that they were all workers, working under the same

conditions, and that is the basis of the figures?

Q. Paid of all the employees, and include such low-

paid wages as learners and people actually coming

into the mill and we actually ensure a loss on teaching

them to do the job.

Q. That is quite different then to the average

earnings of mill employees? A. Oh, very different

figures.

BY MR. KILLEN:

Q. Has not there been some formation of a strike

in your mill recently?

A. I heard of.

Q. The employees in your mill did

have been dismissed and the mill is closed to some

extent, is that correct, or correct, correct, correct

and consequently, correct, correct, correct

Q. I want to know whether you are satisfied at



the present time?    hether there are any complaints  
at the present time about the wage rates?    A.

I think it might very reasonably be said that there are  
complaints.    That would be equally true in all the  
10 or 11 years we have been in business. That is a  
permanent condition.

Q. Then may we have it that in respect of  
your business there is a sort of chronic complaint in  
regard to wage rates?

THE COMMISSIONER: You mean a chronic condition  
of complaints.    Would not be the same complaint all  
the time.

THE WITNESS: It is not so much a chronic con-  
dition, as a sporadic condition. Short hours will  
always lead to that.

Q. What is the complaint now? Have there  
been committees of the men that have been interviewing  
you and Mr. Watson?    A. I believe Mr. Watson  
has discussed the matter with the employees from time  
to time.

Q. If you have not yourself I will ask Mr.  
Watson about it?    A. I have not discussed it.

MR. McRUER: Well, that is all.

MRS. CORA PUNCH, sworn,

EXAMINED BY MR. McRUER:

Q. Were you employed with the Monarch Knitting  
Company at the St. Catharines branch previous to your  
marriage?    A. Yes.

the present time about the same as  
at the present time about the same as

I think it might very reasonably be said that there are  
complaints. That would be equally true in all the  
10 or 15 years we have seen in business. That is a  
permanent condition.

4. Then may we have it that in respect of  
your business there is a sort of chronic complaint in  
regard to wages?

10  
of complaints. Would not be the same complaint all  
the time.

15  
differ, as a specific condition. Short hours will  
always lead to that.

4. What is the complaint now? Have there  
been complaints of the men that have been interviewing  
you about wages?

20  
has discussed the matter with the employees from time  
to time.

4. If you have not yourself I will ask Mr.  
Nelson about it? 4. I have not discussed it.

25  
Mr. Nelson: Well, that is all.

30  
I am sure that the business is  
in a very satisfactory position as far



Q. And how long had you worked for them? A.

For about ten years.

Q. When did you cease to work for them? A.

At the time I was married.

5

Q. When was that? A. In 1932.

Q. Have you not been there since 1932? A. Yes,

I have been back one year since.

Q. One year since you were married? A. Yes, sir.

10

Q. Were you working there in 1935, fall of 1935? A. Yes, I went back last September.

Q. Then you were working there in October 1935

at the time of the election? A. Yes, I was.

15

Q. And did you get a pamphlet in your pay envelope over here? A. Well, I believe there was something to that effect.

MR. KELLOCK: I was just wondering to what

extent - this is the same as we heard at Dunnville - to what extent it falls within your Lordship's Commission.

20

THE COMMISSIONER: As far as I am concerned it is a matter of relations between employees and employers. That is all. Whether or not employers took any part in influencing the political actions of their employees.

25

MR. KELLOCK: I was only looking at the Commission.

THE COMMISSIONER: Or if any employees took any part in influencing the action of their employers.

30

Q. And how long had you worked for them? A.  
For about ten years.

Q. When did you cease to work for them? A.  
At the time I was married.

Q. When was that? A. In 1933.

Q. Have you not been there since 1933? A. Yes,  
I have been back one year since.

Q. One year since you were married? A. Yes, sir.  
Q. Were you working there in 1933, fall of

1933? A. Yes, I went back last September.

Q. Then you were working there in October 1933  
at the time of the election? A. Yes, I was.

Q. And did you get a pamphlet in your pay  
envelope ever here? A. Well, I believe there  
was something to that effect.

MR. KELLOCK: I was just wondering to what

extent - this is the same as we heard at Danville -

to what extent it falls within your Lordship's Commission  
THE COMMISSIONER: As far as I am concerned it

is a matter of relations between employees and em-  
ployers. That is all. Whether or not employers  
took any part in influencing the political actions  
of their employees.

MR. KELLOCK: I was only looking at the

THE COMMISSIONER: Or if any employees took any  
part in influencing the action of their employers.



MR. KELLOCK: There it says: "... covering  
a period of years with respect to costs, profits,  
wages, salaries and bonuses, tariff protection,  
investment, volume of production, and all other  
5 matters and things which ... "

THE COMMISSIONER: "and all other matters".

MR. KELLOCK: It goes on, if your lordship will  
permit me"..... together with information already  
10 available to the Government will enable sound  
conclusions to be reached regarding the position of  
this and other branches of the Textile Industry in  
relation to British and foreign competition, and in  
particular, the extent to which the employer can  
15 reasonably and properly be expected to maintain  
employment over periods of temporary difficulties."

Now, my lord, I cannot find anything of this character--

THE COMMISSIONER: I do not know how far this is  
20 going to go. Suppose an employer said to the employee  
"Supposing you vote for so-and-so I am going to discharge  
you." You say that would not be a proper subject of  
inquiry?

MR. KELLOCK: I would not say that.

THE COMMISSIONER: I don't know how far this is  
going.

MR. KELLOCK: I assume the same kind of pamphlet  
we heard of before.

THE COMMISSIONER: I am not stopping him now. I  
30 do not know what it is leading to.

MR. KILLICK: There it says: " . . . covering

a period of years with respect to costs, profits,  
investment, volume of production, and all other  
matters and things which . . . "

THE COMMISSIONER: "and all other matters."

MR. KILLICK: It goes on, if your honorship will

available to the Government will enable sound  
conclusions to be reached regarding the position of  
this and other branches of the textile industry in  
relation to British and foreign competition, and in  
particular, the extent to which the employer can  
reasonably and properly be expected to maintain

Now, my lord, I cannot find anything of this character

THE COMMISSIONER: I do not know how far this is

going to go. Suppose an employer said to the employer

"supposing you vote for so-and-so I am going to dis-

MR. KILLICK: I would not say that.

THE COMMISSIONER: I don't know how far this is

THE COMMISSIONER: I am not stopping him now. I



MR. KELLOCK: I draw that to your lordship's attention. My submission is if it is the same as Dunaville ---

5 THE COMMISSIONER: You will have to argue afterwards, I am not going to stop the evidence.

10 MR. McRUER: I am not anxious to put anything in that is not strictly within the purview of the Commission, but one of the things that is before the Commission for investigation is the whole question of tariff protection, the benefits that employers get out of it, the benefits that employees get out of it, and the burden that may be on the consumer in respect to it and the way---

15 MR. KELLOCK: That is not what the Commission says, that is all.

20 MR. McRUER: I think there is no doubt about it, in my view of it at any rate.... In 1930 a tariff policy was entered upon in this country which was quite a drastic change from prior government and the employers that we have had were all very keenly in favour of it. Now, I think that when there is an election taking place, how far they interfere with the freedom of their employees in respect of that or what they do in respect to it is all a matter for investigation.

25 THE COMMISSIONER: Well, go on.

30 MR. McRUER: Q. Then you remember getting a pamphlet in your pay roll? A. Some kind of

MR. MILLER: I draw that to your attention?

attention. My submission is it is the same as

---

THE COMMISSIONER: You will have to argue after-

wards, I am not going to stop the evidence.

MR. MILLER: I am not anxious to put anything

in that is not strictly within the purview of the

Commission, but one of the things that is before the

Commission for investigation is the whole question

of tariff protection, the benefits that employers get

and the burden that may be on the consumer in respect

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MR. MILLER: That is not what the Commission

says, that is all.

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policy was entered upon in this country which was quite

a drastic change from prior government and the

employers that we have had were all very keenly in

favor of it. Now, I think that when there is an

election taking place, how far they interfere with

the freedom of their employees in respect of that

or what they do in respect to it is all a matter for

investigation.

THE COMMISSIONER: Yes, sir.

MR. MILLER: I am not going to put anything

in that is not strictly within the purview of the



pamphlet, I cannot just say.

Q. I show you one which is in this Inquiry 682 -  
look at that and tell me whether that is according  
to your recollection a similar one that you obtained?

5

A. No, it seems to me it was j st a single pamphlet  
I got, not like this.

Q. What was the purport of it? A. I could not  
tell you that.

10

THE COMMISSIONER: She has not got the pamphlet?

MR. McRUER: Q. You have not got the pamphlet?

A. No, I have not.

Q. Do you remember what the purport of it was?

A. No, I cannot say that I do.

15

Q. Do not remember anything about ---

THE COMMISSIONER: I think the point is this:

Was it enclosed in this pay envelope?

MR. McRUER: Q. Was it enclosed in your pay-  
envelope?

20

A. It was put in my envelope,  
that is how much attention I paid to it, I think it  
was a single one, not a double one.

Q. What particular occupation had you with the  
Monarch Knitting Company? A. I was in the stock  
room for awhile.

25

MR. KELLOCK: No questions.

--

30

LOUIS SCOTT, Sworn,

EXAMINED BY MR. McRUER:

Q. I show you one which is in this Inquiry 682 -

look at that and tell me whether that is according  
to your recollection a similar one that you obtained?  
A. No, it seems to me it was a single pamphlet

Q. And not like this?

A. That was the purport of it? A. I would not

tell you that.

THE COMMISSIONER: She has not got the pamphlet?

MR. WATSON: Q. You have not got the pamphlet?

A. No, I have not.

Q. Do you remember what the purport of it was?

A. No, I cannot say that I do.

Q. Do not remember anything about it?

THE COMMISSIONER: I think the point is this:

was it enclosed in this pay envelope?

A. MONROE: Q. Was it enclosed in your pay-

envelope? A. I was put in my envelope,

that is how much attention I paid to it, I think it

was a single one, not a double one.

Q. What particular occupation had you with the

Monarch Knitting Company? A. I was in the stock

room for awhile.

MR. KELLICK: No questions.

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Q. You live in St. Catharines? A. I do.

Q. Were you employed in the Monarch Knitting Company

A. I was.

Q. At the St. Catharines Branch? A. I was.

Q. How long were you employed at the St. Catharines Branch? A. From 1927 to 1934.

Q. When did you leave in 1934? A. About March, about the middle of March.

Q. Were you there in 1935 at all? A. No, I was not.

Q. So if anyone said you were working there in 1935 they made a mistake in the year? A. They must have because I was not there at that time.

Q. What did you do with the Company? A. I was a fixer. From 1927 to 1933 I was a knitter and from 1933 to 1934 ---

Q. You were not employed there at election time at all? A. Not this second election, not this last election.

Q. Had you been there the previous one? A. Yes, I was.

Q. That would be in 1930? A. Yes.

Q. And did you receive anything in your pay envelope election time of 1930? A. 1930 I did, yes.

Q. Can you tell me the nature of the message you got from Santa Claus? A. Well, it was, if I may put this my own way, it was about the 1st of

9397 Scott

Q. You live in St. Catharines? A. I do.

Q. Were you employed in the Monarch Knitting Company

A. I was.

Q. At the St. Catharines Branch? A. I was.

Q. How long were you employed at the St. Catharines

Branch? A. From 1933 to 1934.

Q. When did you leave in 1934? A. About March

about the middle of March.

Q. Were you there in 1935 at all? A. No, I

was not.

Q. So if anyone said you were working there in

1935 they made a mistake in the year? A. They

must have because I was not there at that time.

Q. What did you do with the Company? A. I

was a fixer. From 1937 to 1938 I was a knitter

and from 1938 to 1939 ---

Q. You were not employed there at election time

at all? A. Not this second election, not

Q. Had you been there the previous ones?

A. Yes. Q. That would be in 1937?

Q. And did you receive anything in your pay

envelope election time of 1937? A. 1938 I did.

Yes.

Q. Can you tell me the nature of the message

you got from Santa Claus? A. Well, it was,

if I may put this my own way, it was about the fact of



July that we were taking our holidays earlier that year on account of the election.

5 Q. Why were you taking your holidays earlier on account of the election? A. We used to take out holidays, the whole plant as a whole and, as I understand it, - from 1927 to 1930 when we were there we used to take them later on in the summer but this year we took them, if I remember right, the election was around the middle of July.

10 Q. The 23th of July, to be accurate?

15 A. Well, just around that time. At any rate, we started them the 1st of July because I happened to take a trip on the 1st of July, I remember. Well, I got a note or there was a little pamphlet or paper- I happened to have that note until about three months ago and when doing some housecleaning I burned the thing up, thought it would be no more use. However, it was telling us that Mr. Burns tells us that we were going on our holidays, hoped we would have a good time, that he would advise us to save our money or wages because if things did not take a turn very shortly that the plant would have to close or the employees would be out of a job, so much Japanese competition, goods coming in from other countries, that it was forcing such keen competition with the plant that we would be looking for another job.

25 I suppose that is what it meant.

30

Q. Now, was this a message from Mr. Burns himself?

... on account of the election.  
... my were you seeing your holidays earlier on  
... account of the election?  
... out holidays, the whole plant as a whole one, as I  
... understand it, - from 1900 to 1901 when we were there  
... we used to take them later on in the summer but this  
... years we took them, if I remember right, the election  
... was around the middle of July.  
... The 25th of July, to be accurate?  
... A. Well, just around that time. At any rate, we  
... started them the 1st of July because I happened to  
... take a trip on the 1st of July, I remember, 1901.  
... I got a note or message from him all the time of my  
... I happened to have an idea about that time  
... ago and when doing some housecleaning I burned the  
... thing up, thought it would be no more use. However,  
... it was telling us that Mr. Burns tells us that we  
... were going to our holidays, hoped we would have a good  
... time, that he would advise us to save our money or  
... wages because if things did not take a turn very  
... shortly that the plant would have to close or the  
... employees would be out of a job, so much Japanese  
... that it was terrible and we were all very  
... glad that we would be looking for another job.

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A. The one I got was a message from Mr. Burns, by Mr. Burns to me, signed, asking us ---

Q. Was it printed? A. It was typewritten.

BY THE COMMISSIONER: Q. How was it sent?

A. It was in my pay envelope.

MR. McRUER: Q. And was your holiday one with

pay or without pay? A. At that time it was with pay. The without pay started in 1933.

Q. So that after the blessings had arrived you had holidays without pay? A. The blessings you speak of was not such a blessing because immediately after elections I got a cut of \$10 a week for three weeks, during the time representations was made about the tariff. I have just forgotten the date but it was shortly after the election that there was a bunch went down from the different plants I understand to ask Mr. Bennett to put on ---

Q. Yes, we have heard something about that?

A. At that time there was three of us cut down to \$10 a week for three weeks. I was told it was because times were so bad that we had to take three weeks of \$10 a pay.

Q. How much had you been getting a week? A. \$30.00 a week.

Q. That was prior --- A. That is from 1927 to the time, if I imagine right, it was around September of 1930.

Q. And how much then did you get after 1930?

A. The one I got was a message from Mr. Burns, by  
Mr. Burns to me, signed, asking us ---  
A. It was typewritten.  
BY THE COURT: How was it sent?  
A. It was in my pay envelope.  
MR. McLEOD: And was your holiday one with  
pay or without pay? A. At that time it was with  
pay. The without pay started in 1923.  
Q. So that after the blessing had arrived you  
had holidays without pay? A. The blessings  
you speak of was not such a blessing because immediately  
after elections I got a cut of \$10 a week for three  
weeks, during the time representation was made about  
one tariff. I have just forgotten the date but it  
was shortly after the election that there was a branch  
went down from the different plants I understand to  
ask Mr. Bennett to put on ---  
Q. Yes, we have some trouble about that.  
A. At that time there was three of us cut down to  
\$10 a week for three weeks. I was told it was  
because times were so bad that we had to take three  
weeks of \$10 a pay.  
Q. How much had you been getting a week? A. \$20.  
A. That was prior --- A. That is from 1921  
to the time, if I imagine right, it was around September  
of 1920.

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5 A. I was put back to the regular pay and from that up to  
up 1933, April of 1933, I drew my regular \$30 a week  
then. Then in 1933, in April of that year, I was hired  
by the week, given two hours' notice and told to go  
and look for another job. Around the 1st of April,  
1933, I was hired by the week but I was given three  
hours' notice and told to look for another job.

10 Q. Were you back there since that time? A. Yes,  
I went back in about 10 days' time. They told me if  
I could not get another job I could come back and they  
would give me a job knitting. I came back because  
I could not get another job at that time. I have to  
15 live and while I am not married I have to support my  
parents and I came back and went on knitting at piece  
work rates and so I think a year after that---

Q. How much did you make at piece work rate?  
A. I think at one time I did make \$14.00, but it was  
20 between \$10.00 and \$14.00.

Q. And then eventually did you quit with any disa-  
greement with the Company? A. None whatever.

25 Q. When you quit the first time they were evidently  
cutting down or something because you were told to come  
back if you could not find another job?  
A. Apparently so. The reason they told me was that  
they had not the work for me.

30 Q. CROSS-EXAMINATION BY MR. KELLOCK:

Q. You were originally a machine fixer? A. I was.

Q. I was not paid for the last pay and from that  
up 1933, April of 1933, I drew my regular \$30 a week  
then. Then in 1933, in April of that year, I was hit  
by the week, given two hours' notice and told to go  
and look for another job. Around the 1st of April,  
1933, I was hired by the week but I was given three  
hours' notice and told to look for another job.

Q. Were you back there since that time? A. Yes  
I went back in about 10 days' time. They told me I  
could not get another job I could come back and then  
I went back to work for them. I was paid \$30 a week  
and I was not married I have to support my

parents and I came back and went on working at place  
work rates and so I talk a year after that--  
Q. How much did you make at place work rates?  
A. I think at one time I did make \$12.00, but it was

between \$10.00 and \$14.00.  
Q. And then eventually did you quit with any dis-  
advantage with the company? A. Yes, I was.

Q. When you quit the first time they were evidently  
cutting down on something because you were told to come  
back if you could not find another job?  
A. Apparently so. The reason they told me was that

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Q. And a machine fixer is paid at a higher rate than a weaver? A. I don't know anything about the weaving trade at all.

Q. Knitting? A. Yes, knitting.

Q. And those were the two jobs you had in this mill - first, a machine fixer and then a knitter. A. Yes.

Q. And you were originally a machine fixer?

A. I was.

Q. And the period that you spoke about, the change that you spoke about in September, 1930, when you had the reduction in your pay, that was when you were taken off as a machine fixer and made a knitter? A. No, I was still fixing. The arrangements were that three of us were to take a week about. I was a fixer one week at fixer's pay and next week I went at knitter's pay and the third week was kind of indefinite.

Q. I mean, you had a change --- ? A. However, I fixed, that is the point. I fixed during that time, one week at fixer's pay and another week at knitter's.

Q. Up to that time you had always been employed as a fixer? A. Yes, sir.

Q. In about that time, 1930, and before that, it had been the practice of the company to close down in the summer time for two weeks? A. Ten days.

Q. Shut the whole plant down? A. Yes, sir.

... and a machine fixer is paid at a higher rate  
than a weaver? I don't know anything about  
the weaving trade at all.

... and I don't know the two jobs you said in  
this mill - first, a machine fixer and then a knitter

... and you were originally a machine fixer?  
I was.

... and the point that you spoke about, the  
change that you spoke about in September, 1930,

when you had the reduction in your pay, that was when  
you were taken off as a machine fixer and made a  
knitter? A. No, I was still a fixer. The

... and I was a fixer one week at fixer's  
pay and next week I went at knitter's pay and the  
third week was kind of indefinite.

... I mean, you had a change -  
I fixed, that is the point. I fixed during that  
time, one week at fixer's pay and another week at

... up to that time you had always been employed  
... and before that,

... and before that,



Q. And they did that in 1930? A. Yes, sir.

Q. And you remember that 1930 the mill was comparatively quiet, it was not a busy time?

A. Well, I don't know; was not any different than it had been before, so far as I could understand.

Q. A good deal different later? A. Yes, it was later.

THE COMMISSIONER: Was busier later?

MR. KELLOCK: Q. Much busier in later years?

A. Yes, it was, in spots; I would not say all the time.

Q. So that as compared with the later years in the summer of 1930 the mill was not so busy and had followed the practice of absolutely closing down for the full ten days? A. That is the first time I had seen what I call any real slackness was that Fall. I know prior to 1930 we have worked at times from just Tuesdays to Fridays, 8 hours a day, but never any talk about cutting the pay.

Q. I am not talking about that. We have this in 1930 and preceding years the mill followed the practice of shutting down ten days completely?

A. Yes, it did, holiday period.

Q. And you say as you were leaving for your holidays this time you got this letter from Mr. Burns which suggested you should save your money because the mill's business might get so bad that you would have to lay off? A. Correct.

BY THE COMMISSIONER: Q. I understand this was holiday period with pay? A. Yes, sir.

Q. And they did that in 1930?

A. Yes.

Q. And you remember that 1930 the mill was comparatively quiet, it was not a busy time?

A. Well, I don't know; was not any different than it had been before, so far as I could understand.

Q. A good deal different later?

A. Yes.

Q. It was later.

Q. THE COMMISSIONER: Was busier later?

Q. MR. KENLOCK: Much busier in later years?

A. Yes, it was, in spots; I would not say all the time.

Q. So that as compared with the later years in the summer of 1930 the mill was not so busy and had followed the practice of absolutely closing down for the full ten days?

A. That is the first time I had seen what I call any real slackness was that fall. I know prior to 1930 we have worked at times from just Tuesday to Wednesday, 8 hours a day, but never any talk about cutting the pay.

Q. I am not talking about that. We have talked in 1930 and preceding years the mill followed the practice of shutting down ten days completely?

A. Yes, it did, holiday period.

Q. And you say as you were leaving for your holidays this time you got this letter from Mr. [redacted] because the mill's business might get so bad that you would have to lay off?

A. Correct.

Q. I understand this.



MR. KELLICK: What Mr. Burns asked you to do in that letter was to save your money? A. Yes, save my money, not spend it.

Q. Now, who was it told you in 1930 that the mill shut down on account of the election? A.

Well, it was general talk amongst all the employees, I could not say definitely any one person because everybody was saying it.

Q. It was general talk among the employees?

A. Yes, sir. Pardon me, just a moment while I think of it, I did ask the foreman at the time and he said "well, the election is coming on later on," and that was all that was said so far as authority was concerned.

Q. In 1929 the mill was shut down at the same time? A. Not at the same time, no.

Q. Well, in the summer? A. Yes, but it was a period--

Q. I do not care about that. It was in the summer time and shut down for the holiday period?

A. Yes.

Q. Now, when you changed in April 1933, when you ceased to be a fixer and became a knitter, with the exception of the one or two weeks that you had worked as a knitter in 1930 you had no previous experience as a knitter? A. Oh, yes, I had.

Q. When? A. Before I came to this plant.

Q. Where? A. Durham Textiles in Bowmanville.

I was four years and a half with them as knitter and for a short time in Philadelphia as a knitter.

Q. Now, did you not say that you were not going to go in that letter was to save your money? A. Yes, save my money, not spend it.

Now, who was it told you in 1980 that the

Q. I do not care about that. It was in the summer time and split down for the holiday period?

Q. Now, when you changed in April 1968, when you ceased to be a fixer and became a knitter, with exception of the one or two weeks that you had worked as a knitter in 1960 you had no previous experience as a knitter?

A. Yes, I had.

4. A. Darden Textiles in Brownsville

I was told there was a talk with some people.



Q. You had some previous experience? A.

Oh, yes.

Q. The knitting job is usually a job that is done by girls? A. No, we have had pretty near as many fellows as girls.

Q. Would not you agree that ordinarily it is a girl's job but if there are men in the mill and no other work for them the men are favoured? A.

Well, we always looked at it more or less as a boy's job, beginners, boys in their teens. At the time when I first started in textiles there were no girls knitting at that time, it was all boys. At least I am speaking of the plant I started in, no such thing as girls.

Q. In recent years girls are very common?

A. Yes, sir.

Q. And in 1933, you were not the only fixer in the mill, you were a junior fixer? A. I don't know whether you call it junior or senior, I was just one of the fixers.

Q. And you were told there was no more work on the fixing for you? A. Yes, sir, that is what I was told.

Q. And you were given this other job? A. Yes.

HENRY CARLSON, sworn

EXAMINED BY MR. McBUER:

Q. You live in St. Catharines? A. Yes, sir.

Q. And did you work for the St. Catharines branch of the Monarch Knitting Company? A. Yes, sir.

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Q. You had some previous experience?

A. Yes.

Q. The knitting job is usually a job that is

done by girls? A. No, we have had pretty

near as many fellows as girls.

Q. Would not you agree that ordinarily it is a

girl's job but if there are men in the mill and no

other work for them the men are favoured?

A. Well, we always looked at it more or less as a boy's

job, fishermen, boys in their teams. At the

time when I first started in textiles there were

no girls knitting at that time, it was all boys.

At least I am speaking of the plant I started in,

no such thing as girls.

Q. In 1901 when you first started?

A. Yes, sir.

Q. And in 1901, you were not the only fixer in

the mill, you were a junior fixer? A. I don't

know whether you call it junior or senior, I was

just one of the fixers.

Q. And you were told there was no more work

on the fixing for you? A. Yes, sir, that is

what I was told.

Q. And you were given this other job? A. Yes.

EXHIBIT 1001

EXHIBIT 1001

Q. Yes, sir.

Q. Yes, sir.

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THE COMMISSIONER: He does not work now.

MR. McRUER: Q. You are not working there now? A. No.

Q. When did you go to work for them? A. I worked there about seven and a half months.

Q. When did you leave the work? A. I cannot just remember when I left the work.

Q. Were you working there at the time of the election? A. Yes, sir.

Q. In 1935? A. Yes, sir.

Q. And what was your occupation? A. I was a dye house labourer.

Q. Just prior to the election were you approached by any officers of the Company? A. Yes, I was, with the boss.

Q. Who is the boss? A. Clifford Broadwick.

Q. What did he ask you to do? A. Well, they had a nomination sheet and he said if I dont nominate Lockhart I perhaps wont have no job no more.

Q. Lockhart was the Conservative candidate? A. Yes, sir.

Q. And where did this take place? A. In the office of the dye house. I dont know if they call it an office or experimental room.

Q. Well, it was in the plant anyway? A. Yes, sir.

Q. And near by where you work? A. Yes, sir.

Q. And the nomination sheet was the usual nomination sheet that men signed? A. Yes, it

THE COMMISSIONER: He does not work now.

Mr. McLEOD: You are not working there

now?

Q. When did you go to work for them?

A. I worked there about seven and a half months.

Q. When did you leave the work?

A. I cannot just remember when I left the work.

Q. Were you working there at the time of the

election?

A. Yes, sir.

Q. In 1935?

A. Yes, sir.

Q. And what was your position?

A. I was a dye house laborer.

Q. Just prior to the election were you employed

by any officers of the Company?

A. Yes.

Q. I was, with the boss.

Q. Who is the boss?

A. Clifford Broadbent.

Q. What did he ask you to do?

A. Well,

they had a nomination sheet and he said if I don't

nominate for election I perhaps won't have no job no

Q. Broadbent was the Conservative candidate?

A.

Yes, sir.

Q. And when did you leave the dye house?

A. I don't know if they

call it an office or experimental room.

Q. Well, it was in the plant anyway?

A. Yes.

sir.

Q. And near by where you work?

A. Yes, sir.

Q. And the nomination sheet was the usual

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went all around the mill; they took that all around the mill.

Q. Was he getting other employees to sign this nomination sheet in the mill? A. Yes.

5 Q. Did you hear him approach any others? A. I did not hear him approach any others.

THE COMMISSIONER: DID YOU SIGN IT?

MR. McRUER: Q. Did you read it over? A. No, I did not even look at it. I said I dont  
10 want to sign it.

Q. Then what did he say to you? A. He left me alone then and afterwards he did not say anything.

15 Q. When you said you did not want to sign it he made no reply? A. No.

Q. Well then, did you have any discussion with him afterwards about it? A. Yes, he was kidding me about it, he was calling, may be on my  
20 side of the school it was, and stuff like that, but I think he was more kidding.

Q. He was passing some jocular remarks? A. Sure.

25 Q. Well, anything else said to you in respect to your employment? A. No, not afterwards. He did not say anything afterwards, only about a few weeks afterwards he said it is so slack and I work two or three days and then I was off for awhile and then by the week I went to work and I worked one  
30 week. I hurt my back and I was off for awhile. I worked one week and I was laid off altogether.

went all around the mill; they took that all around  
the mill.

Q. Was he getting other employees to sign this  
nomination sheet in the mill? A. Yes.

Q. Did you hear him approach any others?  
I did not hear him approach any others.

THE COMMISSIONER: DID YOU SIGN IT?  
Q. Did you need it over? A.

Q. No, I did not even look at it. I said I don't  
want to sign it.

Q. Then what did he say to you?  
A. He left me alone then and afterwards he did not say

Q. When you said you did not want to sign it  
he made no reply? A. No.

Q. Well then, did you have any discussion  
with him afterwards about it? A. Yes, he was

Q. kidding me about it, he was calling, may be on my  
side of the school it was, and stuff like that, but  
I think he was more kidding.

Q. Well, anything else said to you in respect  
to your employment? A. No, not afterwards.

Q. He did not say anything afterwards, only about a  
few weeks afterwards he said it is no slack and I

work two or three days and then I was off for awhile  
and then it was said I was off for a week and I was off for awhile.

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Q. Was there any reason given as to why you were laid off? A. No reason at all, only he said it is kind of slack.

Q. Was any person put on in your place after you were laid off? A. I don't know.

CROSS-EXAMINATION BYMR. KELLOCK:

Q. You spoke of Clifford Broadwick? A. Yes, sir.

Q. Is he a foreman? A. He is dye house foreman.

Q. And you said he had been doing some kidding, as you said? A. I don't know if he was kidding, at that time he was not kidding when he asked me to sign, I don't think he was kidding when he demanded me to sign it or perhaps I would lose my job. He was made about it at that time, but afterwards he might have been kidding.

Q. Afterwards there was some further conversation and he might have been kidding? A. Yes, kidding about school teacher, I think that is more of kidding.

Q. You just think he was kidding? A. I don't know. More in the form, put it out like he was kidding.

Q. What he said to you afterwards you thought he was just joking with you? A. Yes, sir.

Q. And when he asked you to sign the nomination paper you did not think he was kidding? A. No,

Was there any reason given as to why you were  
held off? A. No reason at all, only he said  
it is kind of slack.  
Q. Was any person put on in your place after  
you were let off? A. I don't know.

INTERVIEW WITH

Q. You spoke of Clifford Hightower? A.  
Yes, sir.  
Q. Is he a foreman? A. He is the house  
man.  
Q. And you said he had been doing some kidding,  
as you said? A. I don't know if he was kidding,  
at that time he was not kidding when he asked me  
to sign, I don't think he was kidding when he demanded  
me to sign it or perhaps I would lose my job. He  
was made about it at that time, but afterwards he  
might have been kidding.  
Q. Afterwards there was some further conver-  
sation and he might have been kidding? A. Yes,  
kidding about school teacher, I think that is more  
or kidding.  
Q. You just think he was kidding? A. I don't  
know. None in the form, but it out like he was  
kidding.  
Q. What he said to you afterwards you thought  
he was just joking with you? A. Yes, sir.  
Q. And when he asked you to sign the nomination

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he was quite mad then. We were arguing and I said it is my policy who I sign and who I nominate and it had got nothing to do with him.

5 Q. How were you sure he was not joking with you at that time if he was joking with you afterwards. What makes you so sure? A. I don't think--when he was joking he could not demand me to sign it.

10 Q. Any way, that is what you think about it? A. Sure.

BY MR. McRUER:

15 Q. Was it not a fact that after the paper had been prepared that a list of the Monarch people were published in the paper, list of the employees who had signed it? A. I don't know. I did not sign paper. Only at the pay envelope there was a sheet too.

20 Q. You received a pay envelope just prior to the election? A. Yes, sir.

Q. Was there a message in it of some kind? A. Yes.

25 Q. I show you Exhibit 682? A. I cannot just remember what kind it was. I cannot just remember what kind it was.

30 Q. Well, can you tell me the general purport of it? A. Well, it was encouraging to vote for Lockhart. Give vote for Lockhart and support the Conservative.

Q. Do you remember if it was signed by anyone?

... we were arguing and I

... said it is my policy who I sign and who I don't

... and it had got nothing to do with him.

... Now were you sure he was not joking with

... you at that time if he was joking with you after-

... words. What makes you be sure? I don't

... think--when he was joking he could not demand me

... to sign it.

... Any way, that is what you think about it?

...

...

...

... BY MR. MONTAGUE:

... was it not a fact that after the paper

... had been prepared that a list of the names

... people were published in the paper, list of the

... employees who had signed it? I don't know.

... I did not sign paper. Only at the pay envelope

... there was a check too.

...

... the check out? Yes, sir.

... Was there a message in it of some kind?

...

... I show you Exhibit 68?

... I cannot just

... remember what kind it was.

... remember what kind it was.

... Well, can you tell me the general purport of

...

...



A. I don't remember, I did not even read it so much,  
I was not interested.

MR. KELLOCK: Q. How long have you been in this  
country? A. Well, I was born here and I went in  
5 Finland when I was six years old and I came back when  
I was 12 years old.

Q. And did you go to school for awhile in this  
country? A. Yes, I went from 7 to --- I did  
10 not go much, only in kindergarten, start of it.

Q. How long were you at school in the kinder-  
garten? A. I was only that year when we left  
for Finland.

Q. That is when you were six years old? A. Yes.

15 Q. And since then you have not been to school?  
A. Yes.

Q. And can you read? A. Yes, I can read  
pretty good.

20 Q. Did you teach yourself? A. I learned by  
myself and by self-study.

Q. Would you mind just reading that paragraph  
in the paper there for me, just this small print?

A. "Three people were missing tonight in the---"

25 Q. Oh, all right. Mr. Carlson, you told my  
friend that when the foreman came around with this  
nomination paper you did not look at it, is that  
right? A. No.

30 Q. So that you don't know what it was? A. No,  
I did not really know what it was.

A. I don't remember, I did not even read it so much.  
I was not interested.

Q. How long have you been in this

country? A. Well, I was born here and I went in  
Finland when I was six years old and I came back when  
I was 12 years old.

Q. And did you go to school for awhile in this

country? A. Yes, I went from 7 to --- I did  
not go much, only in kindergarten, start of it.

Q. How long were you at school in the kinder-

garten? A. I was only that year when we left  
for Finland.

Q. That is when you were six years old? A. Yes.

Q. And since then you have not been to school?

Q. And can you read? A. Yes, I can read.

Q. Did you teach yourself? A. I learned by

myself and by self-study.

Q. Would you mind just reading that paragraph  
in the paper there for me, just this small article?

A. "Three people were missing tonight in the--"

Q. Oh, all right. Mr. Carlson, you told my

friend that when the foreman came around with this  
notification paper you did not look at it, is that

A. No.

Q. So that you don't know what it was? A. No.



9409-A

MR. McRUER: Q. You say you did not know what  
it was - why did you say it was nomination paper?

A. I know that much, I looked at the headlines,  
but I did not read the inside of it.

-- The Commission adjourned at 12.30 P.M. to resume  
at 2. P.M.

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A-004

Q. You say you did not know that  
it was - why did you say it was nomination papers?  
A. I know that much, I looked at the headlines,  
but I did not read the inside of it.

-- The Commission adjourned at 12.30 P.M. to resume  
at 2.15.

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AFTERNOON SESSION

-- The Commission resumed at 2 o'clock P.M.

PETER MacLACHLAN, Sworn,

EXAMINED BY MR. McRUER:

Q. Mr. MacLachlan, were you employed at the  
St. Catharines Branch of the Monarch Knitting Company?

A. Yes, sir.

Q. When were you employed there? A. October,  
1931.

Q. THE COMMISSIONER: Just a minute, please?  
The St. Catharines Branch of the Monarch Knitting  
Company?

MR. McRUER: Yes, my lord.

Q. And when did you cease to be employed  
there? A. I still work there.

Q. Oh, you are still working there? A. Yes, sir.

Q. So that you have been in continuous employment  
since October, 1931? A. Yes, sir.

Q. And were you at work there in October, 1935?  
A. Yes, sir.

Q. And what were you doing? A. Knitting  
full-fashioned.

Q. Knitting? A. Yes, sir.

Q. In the full-fashioned hosiery section?  
A. Yes, sir.

Q. And how long had you been on as a knitter in  
the full-fashioned hosiery section? A. Prior to that?

INTERVIEW WITH  
MR. J. H. HARRIS  
OF THE BUREAU OF THE  
INTERNAL SECURITY

Q. Now, Mr. Harris, were you employed at the

at the same time as the Bureau of the Internal Security?

A. Yes, sir.

Q. When were you employed there?

1937.

Q. The Bureau of the Internal Security, please?

The Bureau of the Internal Security of the Bureau of the

Company?

Q. When did you leave the Bureau?

A. When did you leave the Bureau?

Q. I still work there.

A. Yes, you are still working there?

Q. So that you have been in continuous employment

since October, 1937? A. Yes, sir.

Q. And were you at work there in October, 1937?

A. Yes, sir.

Q. And what were you doing?

Full-time.

Q. Full-time? A. Yes, sir.

Q. In the full-time position?

A. Yes, sir.

Q. And how long had you been in as a writer in

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Q. Yes? A. Well, that is two years, -  
three years altogether.

Q. And what were you doing before that?

A. In the circular department; ~~sk~~ I was two years there.

Q. That is another type of knitting? A. Yes, sir.

Q. You are a knitter? A. No, yes.

Q. When were you first employed, or when you were  
first employed at what wages did you go on at?

A. Well, I was on day rate then; I think it was \$12.50  
a week.

Q. \$12.50 a week? A. Yes. You see, I  
had to spend several weeks to get used to the machines,  
and that is what they paid me.

Q. Learning the trade? A. Yes, sir.

Q. And then after you had learned the trade,  
you went on piece work, did you? A. Yes, sir,  
I went on piece work.

Q. And what were you able to earn at piece work?

A. Well, I was very slow, and I was handling 13 machines,  
single unit. Well, on the average, just about the  
same, I think I earned \$12.50. Of course, I could  
have made more if I had been a little faster and a  
little better.

Q. If you had been a little faster and a little  
better? A. Yes, sir.

Q. How many machines did each employee handle?

A. Well, on my row there were 40 machines. I handled  
13; the boy next to me handled 13, and the other

Washington 2411

Q. Yes? A. Well, that is two years, -

Q. And what were you doing before that?

A. In the electrical department; and I was two years there.

Q. That is another type of knitting?

A. Yes, yes. A. No, yes.

Q. When were you first employed, or when you were

first employed at what wages did you go on at?

A. Well, I was on day rate then; I think it was \$12.50 a week.

Q. \$12.50 a week? A. Yes. You see, I

had to spend several weeks to get used to the machine

and that is what they paid me.

Q. Learning the trade? A. Yes, sir.

Q. And then after you had learned the trade,

you went on piece work, did you? A. Yes, sir.

I went on piece work.

Q. And what were you able to earn at piece work?

A. Well, I was very slow, and I was handling 12 machines

single unit. Well, on the average, just about the

same, I think I earned \$12.50. Of course, I could

have made more if I had been a little faster and

little better.

Q. If you had been a little faster and a little

better, is that right?

Q. How many machines did each employee handle?

A. Well, on my row there were 40 machines. I handled



fellow handled 14.

Q. I see. Then, as time went on did you speed up?

A. Yes, and I made a little more.

Q. You made more? A. Yes.

Q. Up to what amount were you able to make, at your best? A. It is a while ago, and I just cannot remember. But I think I made around \$3 or a little better a day; it would run about \$16 a week.

Q. \$16 a week? A. Yes.

Q. And then you went on full-fashioned? A. Well, yes. Well, I made more than that in the circulars, because they took one boy off and allowed us to run 20 machines and then, of course, we made more; we made over \$20.00 a week.

Q. Well then, you got up as high as 20 machines before you left the circulars? A. Yes, sir.

Q. So that two of you were doing the work that three had done previously? A. Yes, but then we worked three eight-hour shifts and there was really nobody laid off. I think there was an extra boy hired.

BY THE COMMISSIONER: Q. What is that? A. They took one boy off and gave us each 20 machines, and we worked three eight-hour shifts.

Q. Who, you? A. No, we, - the boys on that line. I would work from eight to four and the other boy from four to twelve, and so on.

BY MR. McRUER: Q. But were you paid at the same

Witness called in.

Q. I see. Then, as time went on did you speed up?

A. Yes, and I made a little more.

Q. You made more?

A. Up to what amount were you able to make, at

your best? A. It is a little up, and I just

cannot remember. But I think I made around \$8 or

a little better a day; it would run about \$18 a week.

Q. Was it a week?

A. Yes.

Q. And then you went on full-time? A. Well,

yes. Well, I made more than that in the circle,

because they took one boy off and allowed us to run

20 machines and then, of course, we made more; we

made over \$20.00 a week.

Q. Well then, you got up as high as 20 machines

before you left the circle? A. Yes, sir.

Q. So that two of you were doing the work that

three had done previously? A. Yes, but then we

worked three eight-hour shifts and there was really

somebody else in.

Q. Yes.

BY THE COMMISSIONER: Q. What is that? A. They

took one boy off and gave us each 20 machines, and

we made more eight-hour shifts.

Q. Who, you? A. No, we, - the boys on that

I would work from eight to four and the other boy

from four to twelve, and so on.

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rate per piece after you took on 20 machines as you were when you had 13? A. Oh, no.

Q. So that you were paid less per piece and given more machines? A. Yes.

Q. And, as it worked out, you were able to earn a little more money? A. Yes.

Q. But there would be the same amount of work done by two men as had previously been done by three men? A. Oh, yes.

Q. In an hour than there was; the work was stretched a bit and you were given more machines to look after, and paid less? A. Yes.

THE COMMISSIONER: Paid less per piece.

BY MR. McRUER: Q. Paid less per piece?

A. Yes.

Q. And the net result was, by handling more machines and working harder at the new rate you earned more money? A. Yes, we did.

Q. And had you worked eight hours before?

A. No, not prior to that; I don't think so; I cannot remember.

Q. You do not know what hours you had worked before that? A. Yes, we worked 10 hours day and 10 hours night.

Q. When did that change take place when there was a stretch out from 13 machines to 20? A. I cannot remember exactly.

Q. Well, about what year? A. I think that

Q. Now, when you had 189

A. Oh, yes.

Q. So that you were paid less per piece and given

A. Yes.

Q. And, as it worked out, you were able to earn

A. Yes.

Q. But the e would be the same amount of work

done by two men as had previously been done by three

A. Yes.

Q. In an hour then there was; the work was

strengthened a bit and you were given more machines to

look after, and paid less?

A. Yes.

Q. The complaint: paid less per piece.

A. Yes.

Q. And the net result was, by having more

machines and working harder at the same rate you earned

A. Yes.

Q. And had you worked eight hours before?

A. No, not prior to that; I don't think so; I can't

Q. You do not know what hours you had worked before

A. Yes, we worked 10 hours day and 10 hours

A. Yes.

Q. Now, if I had more than 10 hours a day

A. I cannot

A. Yes.



would be 1930.

Q. Yes.

THE COMMISSIONER: Do I understand it then,  
that his hours were reduced from 10 to 8?

Q. Is that right? A. Yes, sir.

BY MR. McRUER: Q. Your hours were reduced from  
10 to 8? A. Yes.

Q. And your pay per piece was reduced ?

A. Yes.

Q. And you were given more machines, is that right?

A. Yes.

BY THE COMMISSIONER: Q. And you earned more money?

A. Yes, sir.

BY MR. McRUER: Q. You earned more money, in the  
net result, at the end of the week? A. Yes, sir.

Q. Then you went on full-fashioned hosiery?

A. Yes, sir.

Q. And how were you paid on it? A. Well, I  
received \$12.50 a week there, just like starting all  
over again, until I was able to handle machines, and  
then I went on to piece work.

Q. And what did you earn when you got on to piece-  
work? A. While I was on eight-hour shifts on

full-fashioned hosiery I could make about \$18.00,  
\$19.00 to \$20.00 a week, and then one of the boys quit  
and, of course, I went on to full time, and I was able  
to make quite a bit more.

Q. Now much more did you make? A. I averaged

would be 1930.

Q. Yes.

Q. Now, I understand it is true,

that his earnings were reduced from 1930 to 1931?

Q. Is that right?

BY MR. BROWN: Yes, your witness was reduced from

10 to 8?

Q. And your witness was reduced?

A. Yes.

Q. And you were given more business, is that right?

A. Yes.

BY THE EXAMINER: And you earned more money

A. Yes, sir.

BY MR. BROWN: You earned more money, in the

net result, at the end of the week?

Q. Then you went on full-time work?

A. Yes, sir.

Q. And how were you paid on it?

BY MR. BROWN: I was paid on a piece-work basis.

over again, until I was able to handle machines, and

then I went on to piece work.

Q. And what did you earn when you got on to piece-

work?

A. While I was on eight-hour shifts on

full-time work I could make about \$18.00,

\$19.00 to \$20.00 a week, and then one of the boys came

and, of course, I went on to full time, and I was able

to make quite a bit more.



about \$30 a week.

Q. You averaged about \$30 a week on the full-fashioned?  
A. Yes, sir.

5 Q. Well, was there any change in your piece rates on it?  
A. No, they were the same.

Q. They are the same now?  
A. Yes. Well, I think they are a little higher now because there are newer attachments on the machines.

10 Q. You think they are a little higher now because there are newer attachments on the machines?  
A. Yes, sir.

Q. And what is the effect of the newer attachments?  
A. Oh, not very much.

15 Q. Now, were you we there in October, 1935; you told me you were?  
A. Yes, sir.

Q. At the Election-time?  
A. Yes, sir.

Q. And did you get anything in your pay envelope?  
20 A. Yes, I received one of those pamphlets.

Q. Could you identify this Exhibit 682?  
A. No, that was not the one.

Q. It was not the same as that one?  
A. No, sir.

25 Q. You have not got one like you got?  
A. No, sir.

Q. What was the nature of the pamphlet you got?  
A. Well, it was very simple. It was a single leaflet and it had on it :

30 "The factory has been progressing very good for the past four years and we advise the employees to use their best judgment

Q. What was the nature of the pamphlet you got?  
A. Well, it was very simple. It was a simple leaflet.

Q. You have not got one like you got?

A. It was not the same as that one?

A. No, that was not the one.

A. Yes, I received one of those pamphlets.

Q. And did you get anything in your pay envelope?

A. At the election-time?

Q. You told me you were?

A. Now, were you there in October, 1935?

Q. Oh, not very much.

A. And what is the effect of the newer material?

A. Yes, sir.

Q. You think they are a little higher now because there

are newer statements on the market.

I think they are a little higher now because there

Q. They are the same now?

A. No, they were the same.

Q. Well, was there any change in your price rate

A. Yes, sir.

Q. You averaged about \$30 a week on the full-



to the best of their advantage in the coming election."

That was all it was.

Q. I see. That was quite a simple message?

A. There was no candidates named or no parties' names on the pamphlet.

Q. It said, "The Factory had been progressing very satisfactorily during the past four years?"

A. Yes, sir.

Q. "And we advise the employees to use their best judgment," A. To the best of their advantage.

Q. To the best of their advantage? A. Yes, sir.

Q. Were you spoken to by the foreman, or by any one in connection with the Election? A. No, sir.

Q. All right, thank you.

MR. KELLOCK: No questions.

MR. McRUER: That is all; thank you, Mr. MacLachlan.

--

WINNIFRED MOOREHOUSE, Sworn,

EXAMINED BY MR. McRUER:

Q. Miss Moorehouse, were you employed by Grout's Limited at one time? A. Yes, for about six weeks.

Q. Pardon? A. For about six weeks.

THE COMMISSIONER: You say, this is Grout's Limited?

to the best of their advantage in the coming

That was all it was.

I see. That was quite a simple message?

There was no confusion aimed at me either?

names in the pamphlet.

It said, "The factory had been producing

very efficiently during the past four years?"

And we advise the employees to use their

best judgment."

To the best of their knowledge?

Yes, you are to be by the factory, or by any

one in connection with the Electric?

RECEIVED BY THE WORKERS

Miss Moorehouse, who was employed by the

For about six weeks.



MR. McRUER: Yes, my lord.

Q. You say you were employed there for about six weeks? A. Yes, sir.

5 Q. Were you working there at the Election time last year? A. Yes, just around that time.

Q. But <sup>you</sup> were there just before the Election time? A. Yes, sir.

10 Q. And did you receive anything in your pay envelope there? A. No, I did not.

Q. There was nothing put in your pay envelope?

THE COMMISSIONER: Except her pay, Mr. McRuer.

THE WITNESS: Yes, just the pay.

15 BY MR. McRUER: Q. Is that right? A. Yes, that is correct.

Q. And how much were you receiving per hour when you were working there? A. 18 cents an hour.

Q. 18 cents an hour? A. Yes.

20 Q. Were you a beginner? A. Yes, I was a beginner.

Q. Well, why did you not go on ? A. I was laid off about a day before the Election.

25 Q. Pardon? A. I was laid off about a day before the Election.

Q. You were laid off a day before the election? A. Somewhere around there.

30 Q. Was any reason given for letting you out then? A. Oh, just that they were slack.

Q. You say you were employed there for about six

months? A. Yes, sir.

Q. Were you working there at the Election time

last year? A. Yes, just before that time.

A. Yes, sir.

Q. And did you receive anything in your pay

envelope then? A. No, I did not.

Q. There was nothing put in your pay envelope?

A. Correct. The Clerk said: "Except for pay, Mr. Morrison."

THE CLERK: Yes, just the pay.

BY A. Morrison: A. Is that right? A. Yes, that

is correct.

Q. And how much were you receiving per hour

when you were working there? A. 18 cents an hour.

Q. 18 cents an hour? A. Yes.

Q. Were you a beginner? A. Yes, I was a

Q. Well, why did you not go on? A. I was

laid off about a day before the Election.

Q. Pardon? A. I was laid off about a day

before the Election.

Q. You were laid off a day before the Election?



Q. Just that they were slack? A. Yes.

Q. Were there a number let out at the same time?

A. I believe so.

Q. Could you tell how many? A. No, I cannot.

5 MR. McRUER: All right, thank you.

MR. KELLOCK: No questions, my lord.

-----  
PIERCE R. WATSON, Recalled,

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EXAMINED BY MR. McRUER:

Q. Mr. Watson, Mr. Woodward told us this morning,  
that there had been some discussion with you in  
re ard to wages by the workmen. Have there been  
15 some negotiations recently in respect to the wages?

A. Some four or five weeks ago they sent up word  
that they would like to talk to me, the night shift.

Q. The night shift, in respect to what, -  
dissatisfaction? A. That they were not making money  
20 enough, I would say.

Q. That they were not making money enough?  
A. That is right.

Q. Yes, and what was the complaint? A. Well,  
25 their complaint was, of course, that the rate was too  
low.

Q. The rate was too low? A. The piece work  
rate.

Q. Had the piece work rate been cut?  
30 A. It was a new quality.

Q. A new quality put in, but the piece work rate

Q. Just that they were afraid?  
A. Yes.

Q. Were there a number let out at the same time?  
A. I believe so.

Q. Could you tell how many?  
A. No, I cannot.

MR. BELMONT: All right, thank you.

MR. KELLICK: No questions, my lord.

EXHIBIT A

Memorandum by Mr. KELLICK

Q. Mr. Watson, Mr. Woodard told us this morning,

that there had been some discussion with you in  
re and to wages by the workmen. Have there been

some negotiations recently in respect to the wages?

A. Some four or five weeks ago they sent up word

that they would like to talk to me, the night shift.

Q. The night shift, in respect to what, -

A. That they were not asking money  
disposal of it.

enough, I would say.

Q. And what was the complaint?

A. That is right.

Q. Yes, and what was the complaint?

their complaint was, of course, that the rate was too

low.

Q. The rate was too low?

A. Had the piece work rate been any

A. It was a new quality.



had been cut on it? A. Well, we do not take any previous experience on setting the rates for the new qualities.

5 Q. Well, the result had been that working on the new quality, at the new rate, they had not been able to earn as much as they had been able to earn on the old quality and at the old rate? A. That is right.

10 Q. Was there anything in the nature of a committee of employees? A. No, I saw the whole gang at the same time.

Q. You say the whole gang? A. The night shift now only consists of, I would say, not over 15.

15 Q. Have your employees a committee of any kind to take up matters with the employers? A. Not that I know of. Any time they want to speak to me they just come up---

20 Q. Have they any pleaders who come up and bring a message, when there is any dissatisfaction, to say that they want to see you? A. Well, they usually speak to the Mill Superintendent and tell him that they would like to have a talk with me, and I usually grant it, and we sit down together.

25 Q. But have the employees any spokesmen, so to speak? A. Not that I would say. At any conference I have had with them I have had difficulty in getting anyone to speak up. I try to make them feel at their ease so I can get their story.

30 Q. Well, on this complaint about the piecework

Witness  
Oath

had been out on 1st A. Well, we do not take  
any previous experience on setting the rates for the  
new qualities.  
A. Well, the result had been that working on the  
new quality, at the new rate, they had not been able  
to earn as much as they had been able to earn on the  
old quality and at the old rate. A. That is right.  
Q. Was there anything in the nature of a committee  
of employees? A. No, I saw the whole gang at the  
same time.  
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now only consists of, I would say, not over 15.  
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to take up matters with the employers? A. Not that  
I know of. Any time they want to speak to me they  
just come up.  
Q. Have they any pleaders who come up and bring  
a message, when there is any dissatisfaction, to say  
that they want to see you? A. Well, they usually  
peak to the Mill Superintendent and tell him that  
they would like to have a talk with me, and I usually  
grant it, and we sit down together.  
Q. But have the employees any spokesmen, so to  
A. Not that I would say. At any conference I have had  
with them I have had difficulty in getting anyone to  
speak up. I try to make them feel at their ease  
so I can get their story.

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rate, there must have been someone that took it upon themselves to speak to the Superintendent about it?

5 A. Well, the discussion was very general, Mr. McRuer. I mean, this one spoke, and the other one spoke, and I spoke, - it was very general.

Q. What are the names of representative employees that could tell us about the effect on them?

A. I would say anyone on the night shift.

10 Q. Anyone on the night shift? A. Yes.

Q. Did the change in the rate only affect the night shift? A. No, no. The night shift gets a larger rate, I think. I mean, there is some addition for working nights; that is a recognized principle., but the basic rate would be the same for the day-workers.

15 Q. Well, when you say a basic rate, do you work your wages out on the basis of a basic wage?

20 A. Well, we try to work it out on that basis.

Q. Have you got your basic rates here then?

A. No.

Q. For the different occupations? A. No.

25 Q. Have you got them? A. Have I got them?

Q. Yes? A. No, not here.

Q. Could Mr. Woodward get us those? A. We have no standard basic rates.

30 Q. Well, do you not convert your piece work rates into anything in the nature of a basic rate?

A. We try to see that they make somewhere around

rate, there must have been someone that took it upon  
themselves to speak to the superintendent about it.  
A. Well, the discussion was very general, Mr. Woodard.  
I mean, this one spoke, and the other one spoke, and  
I spoke, - it was very general.

Q. What are the names of representative employees  
that could tell us about the effect on them?

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Q. Anyone on the night shift?

A. Did the change in the rate only affect the

night shift? A. No, no. The night shift gets a

larger rate, I think. I mean, there is some addition

for working nights; that is a recognized principle.

but the basic rate would be the same for the day-

workers.

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your wages out on the basis of a basic wage?

A. Well, we try to work it out on that basis.

Q. Have you got your basic rates here then?

A. No.

Q. For the different occupations? A. No.

Q. Have you got them? A. Have I got them?

A. Yes? A. No, not here.

Q. Could Mr. Woodard get us those? A. We have

no standard basic rates.

Q. Well, do you not convert your piece work

rates into basic rates on the basis of a basic rate?

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\$3.50 a loom.

Q. I know.

BY THE COMMISSIONER: Q. Just a minute, - \$3.50  
a loom, did you say? A. 50 hours.

Q. 50 hours? A. Yes.

BY MR. MERUER: Q. Have you anything that shows  
what the basic rate is, and what the performance is ,  
so that you can check one against the other?

A. Well, we have what we call efficiency cards that  
show the performance of the loom.

Q. Yes, but I mean of the workers; your basic  
rate has not been entered on your pay roll at all?

A. No, except quality so-and-so-, 76 picks, whatever  
the rate is.

Q. But I mean the basic rate that they ought to  
earn if they are working up to, 80 per cent. efficiency,  
or whatever it is you set? A. No.

Q. So there is nothing to test whether an employee  
of the Company is required to work at 100 per cent.  
efficiency, or 80 per cent., or whatever it is?  
A. Well, it is recognized among the people to set the  
rates at 75 per cent. or to 80 per cent. is the  
efficiency we are working for.

Q. Yes, but there is nothing to tell what the  
employee earns per week if he is working at that rate?

A. No.

Q. So that it seems pretty difficult to check  
up on your firm and find out exactly what you are paying

9421  
Weston

\$8.50 a hour.

I know.

BY THE COMMITTEE: \$ 7.50 a minute, - \$8.50

a hour, did you say?

BY MR. ROBERTS: I have you saying that a man  
what the basic rate is, and what the performance is

so that you can check one against the other?

A. Well, we have what we call efficiency cards that

show the performance of the hour.

A. Yes, but I mean of the workers; your basic

rate has not been entered on your pay roll at all

A. No, except daily so-and-so, 75 cents, whatever

the rate is.

A. But I mean the basic rate that they ought to

earn if they are working up to 80 per cent. efficiency

or whatever it is you say?

A. No.

A. So there is nothing to test whether an employee

of the Company is required to work at 100 per cent.

efficiency, or 80 per cent., or whatever it is?

A. Well, it is recognized among the people to set the

rates at 75 per cent. as to 80 per cent. is the

efficiency we are working for.

A. Yes, but there is nothing to tell what the

employee earns per week if he is working at that rate?

A. No.



your employees? A. Well, our pay rolls are there,  
Mr. McRuer.

Q. I know, but you cannot convert them into  
cents per hour, that is, except on the earnings of  
the individual pay, you cannot convert the basic rate  
into cents per hour? A. No.

Q. On the basis of 75% efficiency, or anything of  
that kind? A. That is right.

Q. Well, now, I want to go into an analysis  
that we have prepared.

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04823  
04823

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I know, but you cannot convert them into

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the individual pay, you cannot convert the basic rate

into cents per hour? A. No.

on the basis of 75% efficiency, or anything of

that kind? A. That is right.

A. Well, now, I want to go into an analysis

that we have prepared.

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It is prepared in the Department of Statistics, or the Statistical Department of the Department of Trade and Commerce in respect to you. business. Have you those copies, Mr. Whiteley?

5 SECRETARY WHITELEY: Which one are you starting with?

MR. McRUER: I am starting with the average hourly rates.

10 SECRETARY WHITELEY: Adult males?

MR. McRUER: Yes, it is Grout's, St. Catharines.

SECRETARY WHITELEY: Adult males?

MR. McRUER: Adult males, yes. Now, to begin with Mr. Woodward has told us that we have not got the average hourly rates of the piece workers back of 1933, or something of that sort, so that we cannot compare the piece workers working to-day with the piece workers working in 1926? A. Well, I imagine he has told you what is a fact.

20 Q. I rather think you would know something about it; do you confirm what he has said? A. Yes.

Q. So that we can only deal with the time workers, those that have been paid by a rate per hour. In 1926 the loom fixers apparently got 57¢ and in 1930 it was 66½¢ and 1934, 65cents and 1936, 62 cents. It seems to have been a downward revision there since 1930?

25 A. I would think that would be due, Mr. McRuér, possibly to an experienced loom fixer quitting for some reason or other and us putting on a second hand and raising him up gradually to full loom fixer's wages.

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9492

It is prepared in the Department of Statistics, or  
and Commerce in respect to your business. Have you  
those copies, Mr. Whitehead?

SECURITY MATTER: Which one are you standing  
with?  
MR. McHUGH: I am starting with the average  
hourly rates.

SECURITY MATTER: About what?  
MR. McHUGH: Yes, it is about 62.5 cents per hour.  
SECURITY MATTER: About what?

MR. McHUGH: About what, you. Now, to begin  
with Mr. Woodward has told me that we have not got  
the average hourly rates of the piece workers back  
of 1938, or something of that sort, so that we cannot  
compare the piece workers working today with the  
piece workers working in 1936?  
A. Well, I think  
he has told you what is a fact.

Q. I rather think you would know something  
about it; do you confirm what he has said? A. Yes.  
Q. So that we can only deal with the time  
workers, those that have been paid by a rate per  
hour. In 1936 the loom fixers apparently got 37 1/2  
and in 1930 it was 65¢ and 1934, 60¢ and 1938,  
62 cents. It seems to have been a downward revision  
there since 1930?  
A. I would think that

would be due, Mr. McHUGH, possibly to an experienced  
person fixing and trying for some reason or other and an



I mean, the loom fixers are only five or six in the total and are quite skilled mechanics.

Q. Well, you see the difficulty we have got with your factory is the substantial number of workers are piece workers? A. Yes.

Q. We can make very little comparison in this way between the various years. We have got the foremen and foreladies, they were 80 cents in 1930 and they are \$1.10 in 1934 and 75 cents in 1936. There seems to have been a big drop there?

A. I doubt whether a foreman would work for 75 cents an hour. The forelady is -- what shall I say -- a glorified weaver.

Q. Well, I don't know --

SECRETARY WHITELEY: That is only males?

THE WITNESS: That is males, yes.

MR. McRUER: I will put this in, my lord.

THE COMMISSIONER: What do you mean it is just males?

MR. McRUER: The first statement is only males.

THE COMMISSIONER: Boys and girls and foreladies?

SECRETARY WHITELEY: It is just the occupational heading.

THE COMMISSIONER: Those are all men doing girls' work; is that it?

SECRETARY WHITELEY: No.

THE COMMISSIONER: The rates of pay are given for adult males?

SECRETARY WHITELEY: On this sheet there would

I mean, the loom fixers are only five or six in the  
total and are quite skilled mechanics.

.. Well, you see the difficulty we have got  
with your factory is the substantial number of workers  
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way between the various years. We have got the  
foremen and foreladies, they were 80 cents in 1930  
and they are \$1.10 in 1934 and 75 cents in 1936.  
There seems to have been a big drop there?

A. I doubt whether a foreman would work for 75 cents  
an hour. The forelady is -- what shall I say --  
a glorified weaver.

Q. Well, I don't know --

S. C. STANLEY WITNESS: That is only males?

THE WITNESS: That is males, yes.

MR. MORRIS: I will put this in, my lord.

THE COMMISSIONER: What do you mean it is just

MR. MORRIS: The first statement is only males.

THE COMMISSIONER: Boys and girls and foreladies

S. C. STANLEY WITNESS: It is just the occupations

heading.

THE COMMISSIONER: Those are all men doing

girls' work, is that it?

S. C. STANLEY WITNESS: No.

THE COMMISSIONER: The rates of pay are given

for adult males?

S. C. STANLEY WITNESS: On this sheet there would



not be any foreladies. The heading there is foremen and foreladies but there would not be any ladies.

THE COMMISSIONER: It is just referring to what the men do?

SECRETARY WHITELEY: That is all.

MR. McRUER: I will put this in, my lord.

THE COMMISSIONER: Together or separately?

MR. McRUER: I will put the three together, that is, adult males and the youths and boys and the adult females, all in together as one exhibit.

THE COMMISSIONER: Then, it will be --

MR. McRUER: Then, there are girls under 18, too; there are four of them.

THE COMMISSIONER: The four go in together as exhibit 698.

EXHIBIT NO. 698: Average hourly rates for adult males, youths and boys, adult females and girls under 18 years.

MR. McRUER: I don't think, my lord, that there is much use in my spending much time on it owing to the fact there are so few of the classifications that the hourly rates are available to make much of a comparison in respect to that.

THE COMMISSIONER: Alright.

BY MR. McRUER: Q. Now, the next memorandum is distribution of male mill employees by hourly earnings in 1936.

THE COMMISSIONER: That will be exhibit 699.

EXHIBIT NO. 699: Distribution of male mill employees by hourly earnings in 1936.

not be any forebodings. The heading there is forebodings  
and forebodings but there would not be any ladies.

THE COMMISSIONER: It is just referring to what

the men do?

SECRETARY: That is all.

MR. MONROE: I will put this in, my lord.

THE COMMISSIONER: Together or separately?

MR. MONROE: I will put the three together;

that is, adult males and the youths and boys and  
the adult females, all in together as one exhibit.

THE COMMISSIONER: That is all.

MR. MONROE: Then, there are girls under 18.

There are four of them.

THE COMMISSIONER: The four go in together as

exhibit 598.

EXHIBIT NO. 598:  
adult males, youths and  
boys, adult females and  
girls under 18 years.

MR. MONROE: I don't think, my lord, that there

is much use in my spending much time on it owing to  
the fact there are so few of the classifications  
that the hourly rates are available to make much of  
a comparison in respect to that.

THE COMMISSIONER: All right.

BY MR. MONROE: Now, the next memorandum is  
distribution of male mill employees by hourly earnings.

12 1900

EXHIBIT NO. 599: That will be exhibit 599.

EXHIBIT NO. 599:  
distribution of male mill  
employees by hourly earnings.

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MR. McRUER: And the distribution of female employees by hourly earnings.

THE COMMISSIONER: Together?

5 MR. McRUER: Together, yes, my lord. This is both for Grout's and Valleyfield. Under 12½ cents an hour there are none at St. Catharines and 5.41% at Valleyfield. A. Is this for the whole year, Mr. McRuer?

10 Q. No, this will be -- these are from the pay rolls that were sent in, are they not, Mr. Whiteley?

SECRETARY WHITELEY: Yes.

15 MR. McRUER: The sample pay roll. Under 15 cents an hour -- no, under 17 cents an hour, 6.14% at St. Catharines and 10.82% in Valleyfield.

MR. KELLOCK: That is not a comparable figure, 6.14 and 10.82. 10.82 is a cumulative percentage.

MR. McRUER: So is 6.14.

MR. KELLOCK: Oh yes, I see, I beg your pardon.

20 MR. McRUER: Under 21 cents an hour, 15.89% in St. Catharines and 14.42% in Valleyfield. Now, the total number of workers, Mr. Watson appears pretty close to the same, 114 at St. Catharines and 111 at Valleyfield? A. That is right.

25 Q. So that there is apparently a greater percentage in St. Catharines getting less than 21 cents an hour than there are in Valleyfield, which surprises me a little bit in view of the things I have heard said about the Quebec labour market? A. Well,

30 the difference is 1.4% cumulative.

MR. MORRIS: And the distribution of female

employment by hour in Valleyfield.

THE CHIEF CLERK: To whom?

MR. MORRIS: Together, yes, my lord. This is

both for Groulx's and Valleyfield. Under 12 1/2 cents

an hour there are none at St. Catherine and St. Albans

at Valleyfield. A. Is this for the whole year?

MR. MORRIS:

A. No, this will be -- these are from the pay

rolls that were sent in, are they not, Mr. Whitely?

MR. MORRIS: Yes.

MR. MORRIS: The sample pay roll. Under 12

cents an hour -- no, under 12 cents an hour, 6.14

at St. Catherine and 10.82 in Valleyfield.

MR. MORRIS: That is not a comparable figure.

6.14 and 10.82. 10.82 is a cumulative percentage.

MR. MORRIS: So is 6.14.

MR. MORRIS: Oh yes, I see, I beg your pardon.

MR. MORRIS: Under 21 cents an hour, 15.82

at St. Catherine and 15.82 in Valleyfield.

the total number of workers, Mr. Watson appears to

close to the same, 114 at St. Catherine and 111 at

Valleyfield? A. That is right.

A. So that there is apparently a greater per-

centage in St. Catherine getting less than 21 cents

an hour than there are in Valleyfield, which suggests

me a little bit in view of the things I have heard

said about the women there.

the difference is 1.44 cumulative.



9427

Watson,

Q. Well, under 25 cents an hour there are 22.81% in St. Catharines and 27.93% in Valleyfield?

A. It goes the other way.

Q. Valleyfield goes up there? A. It goes the other way in favour of St. Catharines.

Q. Under 30 cents an hour 40.35% in St. Catharines and 48.65% in Valleyfield. Under 35 cents an hour 54.39% in St. Catharines and 68.47% in Valleyfield. Under 40 cents an hour 66.67% in St. Catharines and 81.98% in Valleyfield. Under 50 cents an hour -- A. 44.9, 45.

Q. 45 cents an hour 78.07% in St. Catharines and 87.39% in Valleyfield, and that almost takes care of the total. There are only a few employees above that. Now, the female employees; at St. Catharines under 35 cents an hour we have 82.49% and under 35 cents an hour at Valleyfield 100% so evidently the female employees are better paid in St. Catharines than in Valleyfield. You think that would be a fair conclusion? A. From these figures.

Q. Well, have you any other suggestion?

A. No, sir.

Q. Why shouldn't the girls in Valleyfield be paid as well as the girls in St. Catharines?

A. Didn't you say just a minute ago you understood Quebec labour was ~~xx~~ poorer paid than Ontario labour?

Q. No, I didn't say anything of the kind. I said some things I had heard -- I am asking you as an employer if they are doing the same sort of work why

Q. Well, what 25 cents an hour there are  
22.81% in St. Catherine and 27.92% in Valleyfield?  
A. It goes the other way.  
Q. Valleyfield is up there?  
A. The other way, it is lower at St. Catherine.  
Q. Under 25 cents an hour 40.00% in St.  
Catherine and 24.00% in Valleyfield. Under 25  
cents an hour 24.00% in St. Catherine and 22.44%  
in Valleyfield. Under 40 cents an hour 22.00% in  
St. Catherine and 21.00% in Valleyfield. Under  
40 cents an hour 21.00% in St. Catherine  
and 20.00% in Valleyfield, and that almost takes  
care of the total. There are only a few employees  
more left. Now, the same thing, at St.  
Catherine under 25 cents an hour we have 22.44%  
and under 25 cents an hour at Valleyfield 100% so  
evidently the female employees are better paid in St.  
Catherine than in Valleyfield. For that that was  
the only conclusion. A. From those figures.  
Q. Well, have you any other suggestions?  
A. No, sir.  
Q. Why shouldn't the girls in Valleyfield be  
paid as well as the girls in St. Catherine?  
A. Didn't you say just a minute ago you understood  
Quebec labor was a poorer paid than Ontario labor?  
A. No, I didn't say anything of the kind. I  
said some things I had heard -- I am asking you to  
understand it is not doing the same sort of work

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they should not be paid the same amount? A. Well, I think it is the general practice -- I would not say the standard practice -- the general practice in the Province of Quebec.

5 Q. I will just ask you a pointed question, why you don't pay them the same amount? A. Well, the manager in Valleyfield sets the rates in Valleyfield.

10 Q. Well, you are the head man of Valleyfield as well as the head man here, aren't you? A. It is my official responsibility, yes, sir.

Q. There is no use of pushing it on to the manager down there? A. I didn't try to, sir; I am sorry if you took it that way.

15 Q. Why not pay them the same amount for the same work being done by employees of practically the same company, to all intents and purposes?

20 A. Wage rates vary in different localities. Valleyfield is not as large a town as St. Catharines. The standard of living may be not as high, don't need as much money.

25 Q. Well, the reason, I suppose, is because you can get them to work cheaper down there; that is the net result? A. It may be one way of putting it, sir.

Q. Then, we come to the distribution of male employees according to earnings in pay period, my lord. That is another statement.

THE COMMISSIONER: Another exhibit?

30 A. 14. MR. McRUER: Yes.

THE COMMISSIONER: By the way, those last two went

they should not be paid the same amount?  
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the standard practice -- the general practice in the  
Province of Quebec.

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same company, to all interests and purposes?

A. Wage rates vary in different localities. Valley-  
field is not as large a town as St. Catharines. The  
standard of living may be not as high, don't need as  
much money.

A. Well, the reason, I suppose, is because you  
can get them to work cheaper down there; that is the  
net result? A. It may be one way of

putting it, sir.  
A. Then, we come to the distribution of male

labor in the Valleyfield area, as far  
as that is another statement.



in as one?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: This one will be 700.

MR. McRUER: Together with the statement of  
female employees.

THE COMMISSIONER: That will be joined to it?

MR. McRUER: Yes, my lord.

EXHIBIT NO. 700: Statements covering  
distribution of male  
and female employees  
according to earnings in  
pay period.

THE COMMISSIONER: It says according to the  
pay period. That is two weeks, is it?

MR. McRUER: Well, weekly, it is on a weekly  
basis, isn't it?

THE COMMISSIONER: It says here pay period.

SECRETARY WHITELEY: One week down below.

THE COMMISSIONER: Are they paid by the week?

SECRETARY WHITELEY: Your pay is on the week,  
isn't it?

THE WITNESS: Yes, I am pretty sure they pay every  
week, sir.

THE COMMISSIONER: Alright.

BY MR. McRUER: Q. Well, we might start with  
\$10 a week. In St. Catharines 7.89% not less than  
\$10 a week -- A. Nine, sir, I am sorry.

Q. Less than \$9.00 per week and in Valleyfield  
12.61%. Less than \$10 a week 10.52% in St.  
Catharines and 12.61% in Valleyfield --

A. 14, I am sorry.

THE COMMISSIONER: 14.41.

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in as one?

MR. BRYNE: Yes, sir.

THE COMMISSIONER: This one will be 700.

MR. BRYNE: That is in the statement of

Yamelo employees.

THE COMMISSIONER: That will be joined to 10?

MR. BRYNE: Yes, sir.

THE COMMISSIONER: The distribution of mals  
according to earnings  
any period.

THE COMMISSIONER: It says according to the

of period. That is two weeks, is it?

MR. BRYNE: Well, weekly, it is on a weekly

basis, isn't it?

THE COMMISSIONER: It says here pay period.

APPROXIMATELY THREE: One week down below.

THE COMMISSIONER: Are they paid by the week?

APPROXIMATELY WEEKLY: Your pay is on the week.

Isn't it?

THE WITNESS: Yes, I am pretty sure they pay on

weekly, sir.

THE COMMISSIONER: Yes.

BY MR. BRYNE: Q. Well, we might start with

Q. A week. In 1911, approximately 7.00 per week from

Q. A week -- A. Yes, sir, I am sorry.

Q. Less than \$2.00 per week and in 1912?

Q. Yes, sir, I am sorry.

THE COMMISSIONER: Yes.

THE WITNESS:



MR. McRUER: I am afraid I got the wrong line; yes, it is 14.41%. Less than \$11 a week 14.91% in St. Catharines and 18.01% in Valleyfield. Less than \$12 a week 21.05% in St. Catharines and 25.22% in Valleyfield. Less than \$13 a week 26.31% in St. Catharines and 28.82% in Valleyfield --

MR. KELLOCK: What year is this?

MR. McRUER: It is 1936, isn't it?

SECRETARY WHITELEY: Yes, the last period of February.

MR. McRUER: Less than \$14 per week 29.82% in St. Catharines and 34.22% in Valleyfield. Less than \$16 per week 43.86% in St. Catharines and 49.55% in Valleyfield. Less than \$17 a week 51.75% --  
A. Less than 18, sir.

Q. Yes, less than 18; there seems to be one missed there. It goes up \$2.00 there, doesn't it?

A. Yes.

Q. Less than \$18.00, 51.75% and 63.06%.

THE COMMISSIONERS: That happens twice, \$14 to \$16 and then to \$18. There may be some reason for it. Then it goes to \$20, \$22, you see, and it jumps there to \$25, jumps three to \$25.

MR. McRUER: Then we go to the female employees; less than \$6.00 a week 2.92% in St. Catharines and 17.98% in Valleyfield. That seems a very heavy percentage in Valleyfield, Mr. Watson, that got less than \$6.00 a week. Is there any explanation for it?

A. I know of none at the moment, sir.

Q. You see, that category is the highest category.

MR. McHUGH: I am afraid I got the wrong line; yes, it is 14.41%. Less than \$11 a week 14.91% in St. Catharines and 18.01% in Valleyfield. Less than \$12 a week 21.05% in St. Catharines and 25.22% in Valleyfield. Less than \$13 a week 26.31% in St. Catharines and 28.82% in Valleyfield. --

MR. McHUGH: What year is that?  
MR. McHUGH: It is 1986, isn't it?  
SECRETARY WHITNEY: Yes, the last period of February.

MR. McHUGH: Less than \$14 per week 29.82% in St. Catharines and 34.22% in Valleyfield. Less than \$15 per week 35.86% in St. Catharines and 40.55% in Valleyfield. Less than \$16 a week 41.75% -- A. Less than 18, sir.

Q. Yes, less than 18; there seems to be one missed there. It goes up \$2.00 there, doesn't it?  
A. Yes.

Q. Less than \$18.00, \$1.75% and 63.08%.  
THE COMMISSIONER: That happens twice, \$14 to \$16 and then to \$18. There may be some reason for that. Then it goes to \$20, \$22, you see, and it jumps then to \$25, jumps three to \$25.

MR. McHUGH: Then we go to the female employees less than \$20 a week 1.05% in St. Catharines and 17.98% in Valleyfield. That seems a very heavy percentage in Valleyfield, Mr. Watson, that got less than \$20 a week. Is there any explanation for that?  
A. I know of none at the moment, sir.

Q. You see, that category is the highest cost



of any one of the categories appearing on this schedule?

A. It is the same as ten to eleven.

Q. With the exception of ten to eleven which is just the same, 16 in it? A. That is right.

5 SECRETARY WHITELEY: That is the earnings they got in the week irrespective of the time they were employed in the period.

THE WITNESS: Regardless of the hours.

10 SECRETARY WHITELEY: It is irrespective of the rates.

THE WITNESS: There may have been some short time there.

15 BY MR. McRUER: Q. Then, the large categories here seem to be at St. Catharines, \$9 to \$10, having 10.95% in that category. \$11 to \$12 —

A. 13.

20 Q. \$11 to \$13, yes, that is right, 17.52%. Then, the \$16 to \$18 category, there are 12.41%. The three large categories at Valleyfield are the \$9 to \$10 category with 12.36%, the \$10 to \$11, 17.98% and the \$11 to \$13, 14.61%?

A. Regardless of hours worked.

Q. Yes.

25 SECRETARY WHITELEY: I think there should be a change there in those categories. I think that should be \$11 to \$11.99 and then \$12 to \$12.99. There is a repetition there of the thirteen.

MR. McRUER: Yes, 11 to 11.99 and 12 to 12.99.

30 Then comes, my lord, a statement as to the Valleyfield

of any one of the categories appearing on this schedule  
A. It is the same as ten to eleven.  
Q. With the exception of ten to eleven which is  
just the same, is it in it? A. That is right.  
SECTIONARY WITNESS: That is the earnings they get  
the week irrespective of the time they were employed  
in the period.  
THE WITNESS: Regardless of the hours.  
SECTIONARY WITNESS: It is irrespective of the  
hours.  
THE WITNESS: There may have been some short  
BY MR. HOBBS: Q. Then, the large categories  
here seem to be at St. Catharines, \$8 to \$10, having  
10.95 in that category. \$11 to \$12 -  
A. 12.  
Then, the \$16 to \$18 category, there are 12.41.  
The three large categories at Valleyfield are the  
\$9 to \$13 category with 12.38, the \$10 to \$12,  
17.98 and the \$11 to \$13, 14.01.  
A. Regardless of hours worked.  
Q. Yes.  
change there in those categories. I think there would  
be \$11 to \$11.99 and then \$12 to \$12.99. There is  
a variation from the thirteen.  
MR. HOBBS: Yes, 11 to 11.99 and 12 to 12.99.  
Now, my last, a statement as to the Valleyfield

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Silk Mills, a comparative statement between 1936 and 1934.

THE COMMISSIONER: Between the two years?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: Valleyfield alone?

MR. McRUER: Yes, my lord, 701?

THE COMMISSIONER: 701.

EXHIBIT NO. 701: Statement of average  
hourly rates, Valley-  
field Silk Mills,  
1934 and 1936.

MR. McRUER: This includes adult males, youths  
and boys, adult females and girls.

THE COMMISSIONER: Just a minute, average hourly  
rates; does it mean average hourly rates or earnings?

MR. McRUER: Are those earnings, Mr. Whiteley?

SECRETARY WHITELEY: It should be earnings,  
hourly earnings.

THE COMMISSIONER: Earnings, not rates.

BY MR. McRUER: Q. Well, loom fixers seem to  
be getting a little more in 1936 than they were in  
1934. That does not seem to quite jibe with the  
other statement. These are in regard to individual  
pay rolls. Warpers seem to be getting about 3.7  
cents more now than they were before. Now, are they  
on piece work?

A. Yes, sir.

THE COMMISSIONER: You mean they are earning that

MR. McRUER: They are earning that. Do you  
know whether the piece work rates have been changed  
or they have been given more looms?

A. Well,  
we have been changing the warping department around

Slip Mills, a comparative statement between 1935 and

1934.

THE COMMISSIONER: Between the two years?

MR. MEMBER: Yes, my lord.

MR. MEMBER: With the same

the same, the same, the same.

MR. MEMBER: Yes.

EXHIBIT NO. 701:  
Statement of average  
hourly rates, Valley-  
Slip Mills,  
1934 and 1935.

MR. MEMBER: This includes adult males, youths

and boys, adult females and girls.

THE COMMISSIONER: Just a minute, average hour-

ly rates; does it mean average hourly rates or earn-

ing? MR. MEMBER: Are those earnings, Mr. Whiteley?

SECONDRARY WHITELEY: It should be earnings.

hourly earnings.

THE COMMISSIONER: Earnings, not rates.

MR. MEMBER: Well, from 1935 seem to

be getting a little more in 1935 than they were in

1934. That does not seem to quite jibe with the

other statement. There are in regard to individual

pay rolls. Workers seem to be getting about 3.7

cents more now than they were before. Now, are the

on piece work?

A. Yes, sir.

THE COMMISSIONER: You mean they are earning

MR. MEMBER: They are earning that. Do you

know whether the piece work rates have been changed

or they have been given more money? A. Well,

the rates have been changed.



with more up to date machinery, higher speed machinery and things like that.

Q. So that they may be putting through more work and being paid less per piece but still making more money?

A. That is right.

SECRETARY WHITELEY: I think in 1934 the mill had not been in operation very long, had it?

THE WITNESS: Their ability may have improved, too.

SECRETARY WHITELEY: I mean, in February, 1934 --

THE WITNESS: We started up in September, 1933, didn't we -- Valleyfield --

MR. McRUER: Have we a similar statement to this for Grout's?

SECRETARY WHITELEY: The one that is filed.

ASSISTANT SEC. RENE: 698.

MR. McRUER: Yes.

THE COMMISSIONER: 692?

ASSISTANT SEC. RENE: 698, they are on the four different sheets.

MR. McRUER: Yes.

THE COMMISSIONER: It contains four different sheets.

BY MR. McRUER: Coming back to 698 which is at St. Catharines to deal with some of the individual occupations and compare them between 1934 and 1936. There is nothing appears on here for warpers -- oh yes, their earnings apparently amounted to 46 cents an hour in 1934 and they are 43 now.

THE COMMISSIONER: That is here?

with more up to date machinery, higher speed machinery  
and things like that.

Q. So that they may be putting through more  
work and being paid less per piece but still making  
more money?  
A. That is right.

PROSECUTOR: I think in 1934 the mill  
had not been in operation very long, had it?

THE WITNESS: We started up in September, 1934.

didn't we -- Valleyfield --  
MR. MOHRER: Have we a similar statement to this  
for Groulx?

PROSECUTOR: The one that is filed.  
MR. MOHRER: Yes.

ASSISTANT SEC. REAG: 698, they are on the four  
different sheets.

THE COMMISSIONER: It contains four different  
sheets.

BY MR. MOHRER: Coming back to 698 which is at  
St. Catherine's to deal with some of the individual  
occupations and compare them between 1934 and 1936.  
There is nothing appears on here for workers -- oh  
yes, their earnings apparently amounted to 46 cents  
an hour in 1934 and they are 48 now.  
THE COMMISSIONER: That is correct?



MR. McRUER: That is in St. Catharines.

THE COMMISSIONER: What is it in Valleyfield?

MR. McRUER: In Valleyfield it is the other way about.

5 THE COMMISSIONER: What do you mean by the other way about?

MR. McRUER: They have gone up but they are still much less than they are here.

THE COMMISSIONER: 26 and --

10 MR. McRUER: 26 and 46.

THE COMMISSIONER: 26.2.

SECRETARY WHITELEY: 29.9.

MR. McRUER: 26.2 in 1934.

15 THE COMMISSIONER: Now it is 29.9.

MR. McRUER: Now it is 29.9 in 1936 and in St. Catharines it was 46 cents in 1934 and now it is 43 cents. Take the weavers; they would be working on substantially the same sort of thing, would they, Mr. Watson?

20 A. No, our qualities change quite a bit, different types.

Q. Well, St. Catharines, the rate in 1934 was 34 cents and in 1936 it is 35½ cents.

THE COMMISSIONER: In St. Catharines?

25 MR. McRUER: In St. Catharines, yes; in Valleyfield 30.4 cents in 1934 and 30.5 cents in 1936.

A. They have a more standard line of work in Valleyfield than they have in St. Catharines.

30 Q. What do you mean by that? A. The bread and butter.

Q. Is that rayon?

A. Yes.

MR. McHUR: That is in St. Catharines.

THE COMMISSIONER: What is it in Valleyfield?

MR. McHUR: In Valleyfield it is the other way

about.

THE COMMISSIONER: What do you mean by the other

way about?

MR. McHUR: They have gone up but they are at

much less than they are here.

THE COMMISSIONER: 25 and --

MR. McHUR: 25 and 45.

THE COMMISSIONER: 25.5.

SECRETARY WHITELY: 25.5.

MR. McHUR: 25.5.

THE COMMISSIONER: Now it is 25.5.

MR. McHUR: Now it is 25.5 in 1936 and in

St. Catharines it was 45 cents in 1934 and now it is

45 cents. Take the weavers; they would be working

on substantially the same sort of thing, would they,

MR. Watson?

change quite a bit, different types.

MR. McHUR: Well, St. Catharines, the rate in 1934

was 24 cents and in 1936 it is 30.5 cents.

THE COMMISSIONER: In St. Catharines?

MR. McHUR: In St. Catharines, yes; in Valley

field 20.4 cents in 1934 and 30.5 cents in 1936.

A. They have a more standard line of work in Valley

field than they have in St. Catharines.

Q. What do you mean by that?

MR. McHUR.



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Watson,

Q. They make more ~~xy~~ rayon in Valleyfield than they do here, don't they? A. That is right.

BY THE COMMISSIONER: Q. Take, for instance, loom fixers; they do the same work in both places?

5 A. Practically, sir.

BY MR. McRUER: Q. Loom fixers will do the same work in both places, will they not? A. Practically, sir.

10 Q. Well, the loom fixers -- A. You must keep in mind that the loom fixers in St. Catharines have been with us for many years. After all, if a man stays with you and does a good job he is entitled to a little more money than the man that works with for a year or two.

15 BY THE COMMISSIONER: Q. It is not a little more, it is the difference between 62 cents here and 49.8 cents in Valleyfield. A. \$5.00 a week.

20 Q. \$5.00 a week. What is the amount per week in each case, about? A. Loom fixers in St. Catharines average anywhere from \$37.50 to \$32.50 for a 50 hour week and in Valleyfield around \$27.50 to \$30.00.

25 BY MR. McRUER: Q. Now, Mr. Watson, I want to ask you a question in respect to tariff protection. You told me in Montreal you were quite a consistent exponent of ample protection? A. I think even you would agree with that, sir.

30 Q. That you are a strong opponent, yes, I will agree with that, a strong proponent, not opponent;

Q. They make more xx rayon in Valleyfield

A. That is right than they do here, don't they?

BY THE COMMISSIONER: A. Take, for instance,

loom fixers; they do the same work in both places?

A. Practically, sir.

BY MR. MORRIS: A. Loom fixers will do the same

work in both places, will they not?

A. Practically, sir.

A. You must -- Well, the loom fixers --

keep in mind that the loom fixers in St. Catharines

have been with us for many years. After all, it is

not stays with you and goes a good job he is entitled

to a little more money than the man that works with

for a year or two.

BY THE COMMISSIONER: Q. It is not a little

more, it is the difference between 62 cents here and

49.8 cents in Valleyfield.

A. \$5.00 a week. What is the amount per week

A. Loom fixers in in each case, about?

St. Catharines average anywhere from \$27.50 to

\$32.50 for a 40 hour week and in Valleyfield around

\$27.50 to \$30.00.

BY MR. MORRIS: A. Now, Mr. Watson, I want to

ask you a question in respect to tariff protection.

You told me in Montreal you were quite a consistent

opponent of tariff protection.

even you would agree with that, sir?

A. That you are a strong opponent, yes, I will

agree with that, a strong proponent, not opponent;



you also have, I think, strongly advocated more protection?

A. I think that would be substantially true.

Q. From reading some letters we find on file from you to the department; you are chairman of the Tariff Section of the Broad Silk Association?

A. Unfortunately.

Q. Oh, I think very fortunately for them. And you, I think, felt that the protection the industry had at the present time is not as much as you would like to have it?

A. At the present time?

Q. Yes?

A. On artificial piece goods from England that is true.

Q. You think it is satisfactory in respect to other goods?

A. No, I would not give you a 100% o.k. on that statement.

Q. Not 100% p.k. -- by the way, you prepared a brief, didn't you --

BY THE COMMISSIONER: Q. Pardon me, is that Mr. Watson's only complaint, about artificial piece goods, the tariff against the English product?

A. I would say Japan, too, sir.

BY MR. McRUER: Q. You prepared a brief, did you not, or took part in the preparation of a brief?

A. I would rather you put it that way, that I took part in the preparation of a brief.

Q. Of the tariff rates that you desired the Government to provide for the silk industry?

A. Yes.

Q. And how far were you successful in getting your requirements adopted?

A. I think we were

you also have, I think, strongly advocated more protection?  
A. I think that would be

4. From reading some letters we find on file from you to the department; you are chairman of the

really serious in the sense of the

A. Unfortunately.

4. Oh, I think very far from that.

And you, I think, felt that the protection the industry had at the present time is not as much as you would

like to have it? A. At the present time?

A. Yes? A. On artificial piece goods

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100% o.k. on that statement.

6. Not 100% p.k. -- by the way, you prepared a

brief, didn't you?

BY THE COMMISSIONER: 3. Pardon me, is that

Watson's only complaint, about artificial piece goods?

A. I would the tariff against the English products?

my answer, yes, sir.

BY MR. McHUGH: 6. You prepared a brief, did you

not, or took part in the preparation of a brief?

A. I would rather you put it that way, that I took part

in the preparation of a brief.

4. Of the tariff which is in the way of

Government to provide for the silk industry?

A. Yes



fairly successful, sir.

Q. You felt you were fairly successful in getting what you asked for? A. I think so.

THE COMMISSIONER: Would you fix the time of this, Mr. McRuer?

BY MR. McRUER: Q. When did you first submit your brief? A. I am afraid I cannot tell you.

Q. You made representations, did you not, in 1930? A. Yes.

Q. In September, 1930, after the election? A. Yes.

Q. Then, you made further representations, did you not, in 1931? A. Yes.

Q. To close up some gaps that you felt had been left in September, 1930? A. Put it that way if you wish.

Q. And you got them more or less closed up? A. That may be your opinion, sir.

Q. Well,-- A. Yes, I think so.

Q. You got a fairly satisfactory response to your request? A. Yes.

Q. Now, in analyzing your balance sheet with Mr. Woodward yesterday we found that in the 12 years -- 11 years, in the 11 years since -- that your company has been operating you have paid out in dividends in round figures \$504,000. The outstanding capital of your company is shown in your balance sheet at \$538,000. You have written off in depreciation

fairly successful, sir.

Q. You felt you were fairly successful in

getting what you asked for? A. I think so.

THE COMMISSIONER: Would you fix the time of

this, Mr. McInnes?

BY MR. McINNES: When did you first submit

your brief? A. I am afraid I cannot tell

Q. You made representations, did you not, in

1930? A. Yes.

Q. In September, 1930, after the election?

A. Yes.

Q. Then, you made further representations, did

you not, in 1931? A. Yes.

Q. To close up some gaps that you felt had been

left in September, 1930? A. But it that way

if you wish.

Q. And you got them more or less closed up?

A. That may be your opinion, sir.

Q. Well,-- A. Yes, I think so.

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in round figures \$504,000. The outstanding capital

of your company is shown in your balance sheet at

\$538,000. You have written off in depreciation

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account as against buildings and plant \$261,000 --  
\$361,000. You have written off \$75,000 in good will.

MR. KELLOCK: There is more than good will in  
that according to the evidence.

5 MR. McRUER: Well, as against good will,  
good will account, that is how it was carried in  
your balance sheet.

THE COMMISSIONER: Is there any question about  
that now?

10 MR. McRUER: My friend says there is more than  
good will in it according to the evidence. That was  
the relationship between the English company and the  
present company that was capitalized at \$75,000 and  
called in the balance sheet good will. That is the  
15 item I am dealing with. I don't care what is in it.

MR. KELLOCK: The only item of good will,  
strictly speaking, was \$10,000.

THE COMMISSIONER: It depends on what you mean  
by strictly speaking.

20 MR. KELLOCK: In the evidence this morning Mr.  
Woodward gave the particulars of that \$75,000 item.  
\$10,000 was good will; \$62,900 was the benefit which  
the English company gave to the Canadian company by  
way of services, information, buying and so on, and  
25 \$2,100 premium on the lease. So my friend is not  
accurate in calling it good will.

MR. McRUER: Whatever it is it is written off.

THE COMMISSIONER: I am not sure that strictly  
30 speaking that \$62,000 was not good will.

MR. KELLOCK: The \$2100 was not.

Witness,

1935

account as against buildings and plant \$251,000 --  
\$251,000. You have written off \$75,000 in good will.

MR. KELLOCK: There is more than good will in

that according to the evidence.

MR. MOHRER: Well, as against good will,

good will account, that is how it was carried in

your balance sheet.

THE COMMISSIONER: Is there any question about

that now?

MR. MOHRER: My friend says there is more than

good will in it according to the evidence. That was

the relationship between the English company and the

present company that was capitalized at \$75,000 and

called in the balance sheet good will. That is the

item I am dealing with. I don't care what is in it.

MR. KELLOCK: The only item of good will.

strictly speaking, was \$10,000.

THE COMMISSIONER: It depends on what you mean

by strictly speaking.

MR. KELLOCK: In the evidence this morning Mr.

Woodward gave the particulars of that \$75,000 item.

\$10,000 was good will; \$65,000 was the benefit which

the English company gave to the Canadian company by

way of services, information, buying and so on, and

\$2,100 premium on the lease. So my friend is not

accurate in calling it good will.

MR. MOHRER: Whatever it is it is written off.

THE COMMISSIONER: I am not sure that strictly

speaking that \$65,000 was not good will.

MR. KELLOCK: The \$2100 was not.



THE COMMISSIONER: But the \$62,000 as good will; good will is a pretty wide term, it does not only mean best of wishes. It is more than that.

5 MR. KELLOCK: That is why I was particular in giving the evidence so your lordship would have the facts.

10 BY MR. McRUER: Q. You have in surplus account at the 31st of August, 1935, \$232,284.75. Your plant and machinery were carried in the balance sheet as of that date at \$176,596.66 so that if you take that away from the surplus account -- I am taking your three accounts together, earned surplus account, general reserve and dividend equalization reserve --

15 MR. KELLOCK: What is that \$176,000 figure?

MR. McRUER: That is plant and machinery, less depreciation.

MR. KELLOCK: That is in the return?

MR. McRUER: No, in your balance sheet, the 1935 balance sheet under assets.

20 MR. KELLOCK: Oh, the balance sheet.

BY MR. McRUER: Q. You can right off the balance, ~~of~~ the \$176,596.66 and have a surplus of \$55,688.09. Now, that would give you everything clear, no bonded indebtedness, your whole plant clear and ready to compete with the world in that situation. Now, why do you need more protection other than sufficient to equalize the difference between the wage rates in Canada and wage rates abroad?

25 A. Well, who said we asked for more than that.

30 Q. Well, I say do you need more protection?

THE COMMISSIONER: But the \$25,000 as good will;

Good will is a pretty wide term, it does not only mean best of wishes. It is more than that.

MR. KILLOCK: That is why I was particular

in giving the evidence so your lordship would have the facts.

BY MR. MORRIS: You have in surplus account at the 31st of August, 1935, \$25,000. Your plant and machinery were carried in the balance sheet as of that date at \$175,596.55 so that if you take that away from the surplus account -- I am taking your

General Reserve and dividend equalization reserve -- MR. KILLOCK: What is that \$15,000 figure?

MR. MORRIS: That is plant and machinery, less depreciation.

MR. KILLOCK: That is in the return?

MR. MORRIS: No, in your balance sheet, the 1935

balance sheet under assets.

MR. KILLOCK: Oh, the balance sheet.

BY MR. MORRIS: O. You can right off the

balance, at the \$175,596.55 and have a surplus of \$55,589.00. Now, that would give you everything

clear, no bonded indebtedness, your whole plant clear and ready to compete with the world in that at least.

Now, why do you need more protection other than sufficient to equalize the difference between the

with taxes in Canada and the United States?

A. Well, who said we asked for more than that.

A. Well, I say do you need more protection?



A. In my opinion we need more, yes.

Q. Why?

A. To keep people from dumping in your market.

Q. What do you mean by dumping?

A. Well, in most export countries a certain amount of goods are sold for export at dump prices rather than dump them in their home market and spoil their own home market price.

BY THE COMMISSIONER: Q. Well, have you any

information about any country doing that now in your line of business?

A. No, sir; after all, the discussion is academic, sir.

Q. You see, Mr. McRuer has got you to say

you want some more protection because of that.

A. I think that goes on all the time.

Q. You say it does go on?

A. Yes.

Q. I thought you just said there was none of it going on?

A. I have no way of telling definitely. It is a matter of opinion after all.

BY MR. McRUER: Q. Then, you ask for protection

on a matter of opinion or theory rather than fact?

A. Don't you ask for protection on theory?

Q. Well, maybe you do.

A. You understand, of course, Mr. McRuer, I have no way of verifying those figures.

Q. Well, I will ask your counsel and Mr.

Woodward and all the rest to keep track of my figures and if I get out just let me know.

A. I think they will anyhow.

A. In my opinion we need more, yes.

A. To keep people from dumping

Why?

in your market.

A. Well, What do you mean by dumping?

in most export countries a certain amount of goods  
are sold for export at dump prices rather than dump  
them in their home market and spoil their own home  
market price.

BY THE COMMISSIONER: A. Well, have you any  
information about any country doing that now in your  
line of business? A. No, sir; after all,

the discussion is academic, sir.

A. You see, Mr. McBurnet has got you to say  
you want some more protection because of that.

A. I think that goes on all the time.

A. I thought you just said there was none of  
going on? A. I have no way of telling

Definitely. It is a matter of opinion after all.

BY MR. McBURNET: Q. Then, you ask for protection  
on a matter of opinion or theory rather than fact?

A. Don't you ask for protection on theory?

A. You understand, A. Well, maybe you do.

of course, Mr. McBurnet, I have no way of verifying those  
figures.

A. Well, I will ask your counsel and Mr.

Woodward and all the rest to keep track of my figures  
and if I get out just let me know. A. I think

they will anyhow.



Q. Now, when we look at exhibit 694, which is a statement put in by Mr. Kellock of manufacturing wages as percentage of sales, and in 1926, according to this statement the wages, the manufacturing wages were 10.4% of sales? A. That is what it says there.

Q. Now, in 1930 it was 12.5% of sales, was it not? A. So it says there.

Q. Now, can you tell me what was the tariff protection you asked for, in 1930? A. Substantially I think on the silk item it was 10 cents a yard, a specific duty of 10 cents a yard.

Q. A specific duty of 10 cents a yard, plus ad valorem duty that was on? A. I think there was a slight raise asked for in the ad valorem duty.

Q. What was the ad valorem duty at that time? A. I am sorry, I cannot tell you. It is a matter of record, I think.

THE COMMISSIONER: You are talking now of what?

MR. McRUER: Natural silk. A. I think it is a matter of record, sir. I would hate to make a guess at it.

Q. Well, I would rather like to know, because I want to get from you, with your expert knowledge, when the labour item only amounts to 12.5% how you justify building up a tariff protection which runs anywhere up to 60%? A. I didn't build it up, sir.

Q. Well, you asked for it? A. Right; there is some difference.

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WE WERE

Q. Now, when we look at exhibit 694, which is a statement put in by Mr. Kellock of manufacturing wages as percentage of sales, and in 1936, according to this statement the wages, the manufacturing wages were 10.4% of sales?

A. That is what it says there.

Q. Now, in 1930 it was 12.5% of sales, was it not?

A. So it says there.

Q. Now, can you tell me what was the tariff protection you asked for in 1930?

A. I think that was a tariff duty of 10 cents a yard, and I think that was a tariff duty of 10 cents a yard, and I think that was a tariff duty of 10 cents a yard.

Q. I am sorry, I cannot tell you. It is a matter of fact that was the tariff duty of 10 cents a yard at that time?

A. I think that was a tariff duty of 10 cents a yard, and I think that was a tariff duty of 10 cents a yard, and I think that was a tariff duty of 10 cents a yard.

Q. Well, I would rather like to know, because I want to get from you, with your expert knowledge, what the tariff duty only amounts to 12.5% now you justify building up a tariff protection which runs anywhere up to 60%?

A. Well, you asked for 10%.



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Q. What I want to get is, if it is a protection to Canadian workmen and workmen's jobs, as we are led to believe at some times, how you justify the difference? You see, evidently at that time the workmen's job only entered into your sales to the extent of 12% or 12.5%?

A. Right, according to those figures.

10

Q. Now, on artificial silk at that time --

A. What date is that, sir?

Q. 1930, the British preference had been 12½%. It was raised to 25%; the intermediate 17½ and raised to 30 and the general 20% and raised to 35%, and not to be less than 28 cents a pound all across the board. Now, that is what you got in 1930 --

15

THE COMMISSIONER: That is the ad valorem; was there any specific duty?

THE WITNESS: That is what I was going to ask.

20

MR. McRUER: Well, it was ad valorem, but on the basis of duty to be not less than 28 cents a pound specific.

THE COMMISSIONER: In all cases?

MR. McRUER: In all cases. A. Not from Great Britain.

25

Q. Yes.

THE COMMISSIONER: I thought that just applied to the general the way you read it out.

THE WITNESS: That is the yarn item, isn't it, sir?

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BY MR. McRUER: Oh, I beg your pardon, that is yarn, I am sorry. Woven fabrics was 17½% British Preference, 32½% intermediate and 35% general, and in

1944

Witness

Q. What I want to get is, it is a protection  
to Canadian workmen and workmen's jobs, as we are  
led to believe at some times, how you justify the  
difference? You see, evidently at that time the work-  
men's job only entered into your calculation to the extent  
of 12% or 12.5% A. Right, according to  
those figures.

Q. Now, on artificial silk at that time --  
A. That was in 1930, 1931.  
Q. 1930, the British preference had been 12.5%.  
It was raised to 25%; the intermediate 17 1/2 and raised  
to 30 and the General 30% and raised to 35%, and not  
to be less than 38 cents a pound all across the board  
now, that is what you got in 1930 --

THE COMMISSIONER: That is the 35 valuation; was  
there any specific duty  
A. Witness: That is what I was going to ask.  
Q. Now, well, it was 35 valuation, but on  
the basis of duty to be not less than 38 cents a  
pound specific.  
THE COMMISSIONER: In all cases?  
A. Not  
Q. Now, is that right?  
A. Yes.

THE COMMISSIONER: I thought that just applied  
to the general one, you need it not.  
A. Witness: That is the same thing, isn't it?  
BY MR. ROBERTS: Oh, I beg your pardon, that is  
yes, I am sorry. However, tobacco was 17 1/2 but when

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1930 it became 27½% British preference, 40% intermediate and 45% general.

THE COMMISSIONER: Was there no specific duty?

5 MR. McRUER: And 30 cents a pound British preference, and 40 cents per pound on the other two categories.

THE COMMISSIONER: What is it to-day?

MR. McRUER: From 1930 to date --

10 THE COMMISSIONER: Well, I should not ask that because the thing was attended to again at the time of the Ottawa agreements. I don't know what happened.

MR. McRUER: There was no change.

THE COMMISSIONER: Was there no change made since?

15 MR. McRUER: 1930 to date it has been the same. There was no change in the woven fabrics last spring? A. Yes, there was.

Q. What was the change? A. 1936, I am sorry.

20 BY THE COMMISSIONER: Q. You mean 1936?

A. Yes.

Q. What is the present situation? A. 30% less ten under the British.

25 Q. The British; no specific? A. That makes 30% less ten. 27%.

Q. 27%? A. 27%.

Q. Less 10% of the 30? A. Yes.

Q. No specific? A. No specific.

30 Q. Well, can the witness tell us right now what effect, if any, that last alteration has had on his business?

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effect, if any, that last afternoon had had on his

will, can the witness tell us right now

Q. No specific?

A. Yes.

Q. 27%?

makes 30% less ten.

A. The British; no specific?

less ten under the British.

Q. What is the present situation?

BY THE COMMISSIONER: Q. You were 1930?

Sorry.

Q. What was the charge?

A. Yes, there was.

There was no change in the woven fabric last spring.

Q. From 1930 to date it has been the same.

THE COMMISSIONER: Was there no change made since?

Q. No change.

Q. I don't know what happened.

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Q. What is it to-day?

Q. No change.

preferences, and 40 cents per pound on the other two

Q. No change.

THE COMMISSIONER: Was there no specific duty?

mediate and 45% general.

1930 it became 37% British preference, 40% inter-



BY MR. McRUER: Q. Has that had any effect on  
your business, the last change? A. We have lost  
some business to England, sir.

Q. To England; we have not got your profit  
and loss account for the last year? A. It is not  
made up yet, sir.

Q. Isn't it usual to have it made up by this  
time of year when your year ends on the 31st of August?

A. I am not trying to make a trite remark, but if  
they will let me alone long enough to get the in-  
ventory prices they will probably get it made up.

Q. I see, it is the inventory? A. Yes, I am  
working on it evenings and week ends.

Q. You have about as much trouble with these  
inventories as I have. I find an inventory can be  
used for a lot of purposes. A. Well,--

Q. Well, can you explain how it is that the  
percentage of labour to sales has apparently increased  
according to your statement between 1926 and 1935?

A. Well, in these sales are fluctuating materials, or  
taxes or things of that kind over which we have no  
control, supplies, I mean in the make-up of the  
sales if you gather what I mean.

Q. Yes, I wonder if this comparative statement  
is sound? A. Well now, Mr. McRuer, after  
all Mr. Woodward put it in and he can probably answer  
your question.

Q. I thought probably you knew more about the  
business of the company in that regard? A. He  
is our accountant.

BY MR. McNEIL: Has that had any effect on

your business, the last change?

A. We have lost

Q. To what? we have not got your profit

and loss account for the last year?

A. It is not

made up yet, sir.

Q. Isn't it usual to have it made up by this

time of year when your year ends on the 31st of August?

A. I don't know, but I think it is

they will let me alone long enough to get the in-

ventory prices they will probably get it made up.

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A. Yes, I am

working on it evenings and week ends.

Q. You have about as much trouble with these

inventories as I have. I think an inventory can be

used for a lot of purposes.

A. Well,--

Q. Well, can you explain how it is that the

percentage of labour to sales has apparently increased

according to your statement between 1936 and 1937?

A. Well, in these sales and fluctuating materials, or

taxes or things of that kind over which we have no

control, supplies, I mean in the make-up of the

sales if you prefer what I mean.

Q. Yes, I wonder if this comparative statement

is sound?

A. Well now, Mr. McNeil, I don't

all Mr. Woodard put it in and he can probably answer

that question.



Q. I have a little difficulty in knowing just what you can tell me about it, and what Mr. Woodward can tell, because I asked Mr. Woodward a question and he tells me to ask you and I ask you and you tell me to ask him? A. I don't think Mr. Woodward refused to answer any questions about those figures, did he?

Q. He did not refuse. A. Or refer any questions to me, did he?

BY THE COMMISSIONER: Q. There was one question I asked? A. That is right, there is one, sir; I have got a note of it.

BY MR. McRUE: Because I am looking at your return as to the number of employees employed and the amount of wages paid per employee and it seemed to me you had more employees per dollar working now than you had before? A. Are you speaking of 19 -- what date are you speaking of?

Q. Well, go back to 1926, 1927 and 1928? A. I think that is true, sir.

Q. That there are more employees per dollar working now than there were before? A. That is shown by a lower weekly wage, isn't it?

Q. A lower average? A. Yes.

Q. Therefore I cannot figure out why there should be such a change in the percentage of labour to sales? A. Would you prefer to ask that question of Mr. Woodward?

Q. Well, I don't mind who I ask it of as long as I can get an answer.

Q. I have a little difficulty in knowing

just what you can tell me about it, and what Mr.

Woodward can tell, because I asked Mr. Woodward a

question and he tells me to ask you and I ask you and

you tell me to ask him? A. I don't think Mr.

Woodward refused to answer any questions about those

figures, did he?

Q. He did not refuse. A. Or refer any ques-

tions to me, did he?

BY THE COURT: Q. There was one question

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BY MR. McNEIL: Because I am looking at your

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working now than there were before? A. That is

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A. Therefore I cannot figure out why there

should be such a change in the percentage of labor

to sales?

A. Would you prefer to ask that question

Q. Well, I don't mind who I ask it of as long as

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THE COMMISSIONER: You better get it right away.

MR. McRUER: Mr. Woodward, come along and let us see. Just step down for a minute, Mr. Watson.

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CYRIL F. WOODWARD, recalled,

BY MR. McRUER: Q. Now, Mr. Woodward, can you solve this riddle? A. Well, the obvious thing --

THE COMMISSIONER: Put it again so I will have it.

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BY MR. McRUER: Q. Why, with the average rates of wages decreasing, the percentage of labour to sales has increased from 10.4% in 1926 to 24.4% in 1935?

MR. KELLOCK: That question isn't right, not the average rates, the average earnings are declining.

15

MR. McRUER: Well, the average earnings per man.

MR. KELLOCK: That is a different thing.

BY MR. McRUER: Q. Well, the rates have decreased, too, haven't they, the rates you paid the men?

A. There has been a decrease in rates.

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THE COMMISSIONER: But the proportions may not be the same, that is, the proportion of the earnings decrease may be greater than that of the rates decrease.

MR. McRUER: Oh yes, at any rate the rates have decreased.

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BY THE COMMISSIONER: Q. The rates have decreased; that is a fact? A. They have, yes.

BY MR. McRUER: Q. With the rates decreasing how is it that the proportion of labour to sales has increased to such an extent? A. There is only one

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answer, in my opinion, Mr. McRuer, and that is that other costs have all been forced down to a greater

THE CHAIRMAN: The witness has just been sworn.  
MR. McHUGH: Mr. Woodward, come along and let us  
see. Just step down for a minute, Mr. Watson.

CYRIL W. WOODWARD, recalled.  
BY MR. McHUGH: A. Now, Mr. Woodward, can you solve this  
riddle? A. Well, the obvious thing --

THE COMMISSIONER: But it again so I will have  
BY MR. McHUGH: A. Why, with the average rates  
of wages decreasing, the percentage of labour to sales  
has increased from 10.4% in 1926 to 24.4% in 1935?

MR. KILGICK: That question isn't right, not at  
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MR. McHUGH: Well, the average earnings per man  
MR. KILGICK: That is a different thing.

BY MR. McHUGH: A. Well, the rates have decreased,  
too, haven't they, the rates you said the men?  
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THE COMMISSIONER: But the proportions may not  
be the same, that is, the proportion of the earnings  
decrease may be greater than that of the rates decrease.  
MR. McHUGH: Oh yes, at any rate the rates have  
decreased.

BY THE COMMISSIONER: Q. The rates have decreased  
that is a fact? A. They have, yes.

MR. McHUGH: A. Now, the fact is that  
how is it that the proportion of labour to sales has  
increased to such an extent? A. There is only one

other factor that has all been traced down to a greater  
amount, the fact is, the proportion of labour to sales



extent proportionately than for wages; in other words we have -- I wrote this first statement, exhibit 694, including raw material costs. Our raw material costs have gone down out of proportion to labour and so for all the other costs throughout the whole mill, bulked together. There may be some individual items to which that does not apply, but in general that is proven by exhibit 695. Therefore we have, in order to exclude market fluctuations in our raw materials, we have excluded from our total costs that part of the costs which is represented by raw material. What is left consists of all mill costs, including all manufacturing and other wages, all selling costs, all administration costs, and in addition all profit. That line number one, sales, less raw material costs, must of necessity cover every item with the exception of raw material.

Q. That is, that you have been probably selling at a narrower margin of profit? A. Yes, the profit can be compared. The same statement could be made by deducting the profit from the sales and your trend would be exactly the same, I am sure of that. The profits are not sufficient to change the trend although they would change the annual percentages. The point is that both this statement, exhibit 694, and 695, prove conclusively that we have worked a great deal harder at reducing costs other than wages than we have in reducing the cost of wages.

Q. Of course, you arrive at a point with wages that you cannot reduce it any further? A. I am not asking you to give us any credit; I am stating facts.

extent proportionately than for wages; in other words we have -- I wrote this first statement, exhibit 694, including raw material costs. Our raw material costs have gone down out of proportion to labour and so for all the other costs throughout the whole mill, unless

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only make the trend less pronounced. The point is

that both this statement, exhibit 694, and 695, prove conclusively that we have worked a great deal harder

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in reducing costs other than wages than we have in

reducing the cost of wages.

Now, you say that you cannot reduce it any further.

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That you cannot reduce it any further; I am stating facts.



Q. It is a fact that when you get down to an average of \$11.70 a week you are pretty nearly at the point --

MR. KELLOCK: That is in one class only.

MR. McHuer: Well, in the class under one thousand dollars.

THE WITNESS: That is an entirely unfair statement. I don't think that his lordship is going to be misled by your continual reference to that one figure which deals only with labour under one thousand dollars.

Q. I am not misleading anybody. You put in the statement. I don't want to mislead anybody. I am trying with the greatest pains to get the facts.

A. I am sure of that.

Q. But the body of labourers getting under one thousand dollars a year is the great body of the men employed in your mill? A. They are an important part of it.

Q. Would you please tell me how many receive under one thousand dollars? A. You have the returns there. I am sorry, I haven't.

Q. Well, we will just verify it. A. The big point is that greater effort has been made to maintain labour than has been made to maintain all other costs.

Q. Well, we are not going to get away from this point at the moment, that you have raised as though I was misleading in some way. In 1935 of your workers 196 were getting under one thousand dollars a year and 27 were getting over? A. Of mill

Q. It is a fact that when you get down to an average of \$11.70 a week you are pretty nearly at the same level —

MR. KILBOCK: That is in one class only.

MR. McNEIL: Well, in the class under one

thousand dollars.

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tain labour than has been made to maintain all other

classes.

Q. Well, we are not going to get away from the

point at the moment, that you have talked as though

I had been talking in some way. In 1925 of your

figures the only way to get the figures right



workers?

Q. Of your mill workers? A. What about

other types of mill labour?

Q. Well, we will have the whole thing.

5

A. That seems to be advisable.

Q. There were seven on the mechanical staff  
and five on mill supervision if you want to take that  
in too. They are sort of foremen? A. Yes.

Q. They can hardly be taken in as labourers?

10

A. Well, in order to fairly represent mill workers  
they should be in your reference to these items  
because bear in mind that head office salaries  
include clerical which, after all, are non-executive,  
none-administrative type of labour.

15

Q. Well, that is a different thing than mill  
workers? A. Mill supervision, yes.

Q. Well, there are then 34 of the mill workers  
getting over one thousand dollars a year and 196 under?

20

A. That is correct.

Q. That is in 1935 and in 1930 there were 120  
under one thousand dollars a year and 49 were getting  
over one thousand dollars a year? A. That  
is so.

25

Q. So that the percentage getting over one  
thousand dollars a year was very much heavier in 1930  
than it is to-day? A. As you pointed out in

proportion to our profits.

30

Q. I am talking about in proportion to the men  
employed, very much heavier. Then we go back to

worker?

Q. Of your mill workers? A. What about

other types of mill labour?

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and five on mill supervision if you want to take that

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Q. Well, there are then 24 of the mill workers

getting over one thousand dollars a year and 120 and

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over one thousand dollars a year? A. That

Q. So that the percentage getting over one

thousand dollars a year was very much heavier in 1935

than it is to-day? A. As you pointed out in

proportion to our profits.

Q. I am talking about in proportion to the net

employed, very much heavier. Then we go back to



and start of a new line and not the whole of 1926 and there were 76 getting under one thousand dollars a year and 11 getting over one thousand dollars a year so that when we are dealing with that large group we are dealing with the representative group of the mill workers? A. I differ, I am

sorry, I cannot allow that statement. We are not dealing with the representative group. Representative is an average; an average will include all figures. You are dealing with an important portion, but not a representative portion.

Q. I entirely disagree with you, but I am not going to argue it. A. Shall we just leave it with that, that I have presented my point of view and you have presented yours and his lordship will judge.

Q. You cannot deal with averages expecting to mislead everyone -- A. You have been dealing with averages right along. Your 11.70 figure is an average and overlooks completely the fact that some of those are learners, and some of them are costing us money to teach them the job. You are using averages. You cannot discuss figures any other way.

Q. I say the averages are very misleading? A. That should be borne in mind in reference to the averages you have employed as well.

Q. Oh yes. A. There appears to be no difference of opinion between us.

Q. But I don't know why you suggest anyone has any idea of misleading. Now, can you offer any suggestion as to why an industry that has been able under the tariff protection it has had to come to Canada

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dollars a year and 11 getting over one thousand  
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group of the mill workers? A. I differ, I am  
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difference of opinion between us.

Q. But I don't know why you suggest anyone has  
any idea of misleading. Now, can you offer any  
suggestion as to why an industry that has been able  
under the tariff protection it has had to come to

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and start up a new industry and get its whole organization clear and pay out an amount in dividends equal to its capital stock, nearly equal to its capitalization over a period of about 11 years, why it needs increasing protection, and needs more than the difference between the percentage of wages -- the wages paid here to equalize them with the wages paid abroad?

A. Well, in the first place, as the accountant of the mill I do not speak after the same consideration and study that Mr. Watson has.

You ask me if I can offer any suggestions. I will be happy to offer these suggestions that I have.

Possibly you might press me on them and I might find my suggestions of no use whatever. In other words, I do not present myself as an expert but if you wish to hear me then I shall be very glad to give them to you.

Q. I am giving you the opportunity to give them?

A. Thank you; I just wanted you to understand that if you press me on them and I cannot maintain my argument that is not to be held against the case.

In the first place, I would like to point out that the profits, as you said this morning, during the earlier years up to possibly 1930 were higher than they have been since. That is due to the fact that there had been a continuation of the same tendency that has been in evidence ever since we came here in 1924.

In 1924 we were the only mill -- we were the second mill, excuse me. Other mills were continually coming in, competition was getting greater and continually --

and start up a new industry and get its whole organi-  
zation clear and pay out an amount in dividends  
equal to its capital stock, nearly equal to its  
capitalization over a period of about 11 years, why  
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earlier years up to possibly 1930 were higher than  
have been since. That is due to the fact that there  
had been a continuation of the same tendency that  
been in evidence ever since we came here in 1924.  
In 1924 we were the only mill -- we were the second  
mill, excuse me. Other mills were continually  
coming in, competition was getting greater and con-

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Q. I suppose they were coming for the same reason you came? A. Because they had the market?

Q. Because they felt it was a good place to come? A. I think so, although that is one thing that tariffs does. I think tariffs has exactly that effect. It brings in enough manufacturers to operate within the country to provide sufficient internal competition that the prices are inevitably reduced.

Q. That is, brings them in to operate here in the such a way that they make/very handsome profits that you folks have been able to make in the same line of industry? A. I think you admitted yourself that profits had not been so heavy in the latter years of our experience.

Q. I don't know what you expect to make; I know lots of people that have had to go out of business with the depression of the last few years. Do you contend that the government should by tariff, or any other way, provide this industry with a profit that would be as good in bad times as in good? A. By no means, no.

Q. Because there seems to be a serious complaint they have not been as good in the last few years.

Well, go on and give me any other explanation you have got. A. There is one other point you raised with Mr. Watson. Possibly I can call your attention to a feature that appears to me in connection with that. You pointed to the fact that in 1930  $12\frac{1}{2}\%$  of our sales represented manufacturing wages and that you

Q. I suppose they were coming for the same reason you came? market?

A. Because they felt it was a good place to come? A. I think so, although that is one thing that tariff does. I think tariffs has exactly that effect. It brings in enough manufacturing to operate within the country to provide sufficient internal competition that the prices are inevitably reduced.

Q. That is, brings them in to operate here in such a way that they make very handsome profits that you folks have been able to make in the same line of industry? A. I think you admitted your self that profits had not been so heavy in the latter years of our experience.

Q. I don't know what you expect to make; I know lots of people that have had to go out of business in the depression of the last few years. Do you contend that the Government should by tariff, or any other way provide this industry with a profit that would be as good in bad times as in good? A. By no means, no.

Q. Because there seems to be a serious complaint they have not been as good in the last few years. Well, go on and give me any other explanation you have got. A. There is one other point you raised in your question, that is, the fact that in 1930 1931 of our

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failed to see why such a small proportion of our total sales value should justify us in taking the attitude, or justify him in taking the attitude that protection should be given to counter-balance such a small difference --

Q. And then we go to protection of 50 to 60%, and 100%?

A. Yes, I just would like to point out that the 12½% is hardly the figure to be discussed. In the first place, it deals with only one part of our costs of employing assistants -- all of them, of course, are lower, administration, office, sales, and then in addition to that the people that supply us with machinery, all these have in them ~~an~~ the element of wage cost.

Q. Where do you get your machinery?

A. In the United States.

Q. You import your machinery from the United States and pay duty ~~on~~ on it?

A. Yes.

Q. And that puts up --

A. That puts up

the cost to the extent of the number of yards produced in a loom per annum as compared with one-tenth of the cost of the duty on that loom. What it would work out to per yard would be -- I don't know what it would be, I have not done it.

Q. One thing added to another thing all tends to put up the cost on the consumer?

A. You are quite right -- on the consumer?

Q. Yes.

A. Our selling prices over the last year answer your question. I don't think I need

failed to see why such a small proportion of our total sales value should justify us in taking the attitude, or justify him in taking the attitude that protection should be given to counter-balance such a small

difference --

and then we go to protection of 85 to 90%

A. Yes, I just would like to

point out that the 15% is hardly the figure to be

discussed. In the first place, it deals with only

one part of our costs of employing assistants -- all

of them, of course, and lower, administration, office

sales, and then in addition to that the people that

supply us with machinery, all these have in them an

element of wage cost.

Q. Where do you put your machinery?

A. In the United States.

Q. You import your machinery from the United

States and pay duties on it? A. Yes.

Q. And that puts up -- A. That puts up

the cost to the extent of the number of yards produced

in a year per annum as compared with one-tenth of the

cost of the duty on that loom. What it would work

to per yard would be -- I don't know what it would be

I have not done it.

Q. One thing added to another thing all these

to put up the cost on the consumer?

A. You

quite right -- on the consumer?

A. Yes.

Just that extra cost would be -- I don't know

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to discuss it any further.

Q. Well, of course, your selling prices have to be governed to a certain extent by what the consuming public can pay. You have not given us any guarantee that the selling prices of the last few years will be maintained in the future? A. It depends on our mill and other costs.

(page 9455 follows)

to discuss it any further.

Q. Well, of course, your selling prices have

to be governed to a certain extent by what the consumer

public can pay. You have not given us any guarantee

that the selling prices of the last few years will be

maintained in the future? A. It depends on our

mill and other costs.

(page 9455 follows)

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MR. P.R. WATSON, Recalled,

EXAMINED BY MR. McRUER:

Q. Well, Mr. Watson, have you anything to add  
now as to why a tariff protection such as we have had  
over the last five years is further needed by this  
Company. The Company got a chance, it was able  
to grow up, got strong, got everything paid off,  
the people of Canada have provided it with that  
opportunity. Now, why cannot it fly for itself?

A. Well, you have not lost sight of the fact that  
there are like companies have gone bankrupt during  
that period of high tariff.

Q. We know a great many that had not gone  
bankrupt. I suppose there are good managers and bad  
managers and we are dealing with one that has been  
well managed, apparently? A. Thank you.

Q. So that I am just saying - why cannot it  
fly for itself and compete with foreign industries  
on a moderate protection?

THE COMMISSIONER: Q. Just a moment. Does Mr.  
Watson refer to silk manufacturing companies that  
have gone bankrupt in the last five years?

THE WITNESS: Yes, sir.

M.R. McRUER: Q. Which ones? There is the  
Brupbacher Company? A. Yes, and I think the  
Manhattan Mills went bankrupt in that time.

Q. They did not amount to much anyway. They  
never got right going? A. That is a matter

MR. P. R. MURPHY, President,

EXAMINED BY MR. KENNEDY:

Q. Well, Mr. Watson, have you anything to add now as to why a tariff protection such as we have had over the last five years is further needed by this Company. The Company got a chance, it was able to grow up, get strong, get everything paid off, the people of Canada have provided it with that opportunity. Now, why cannot it fly for itself? A. Well, you have not lost sight of the fact that there are like companies have gone bankrupt during that period of high tariff.

Q. We know a great many that had not gone bankrupt. I suppose there are good managers and bad managers and we are dealing with one that has been well managed, exceptionally? A. Thank you. Q. So that I am just saying - why cannot it fly for itself and compete with foreign industries on a moderate protection?

THE COMMISSIONER: A. Just a moment. Does Mr. Watson refer to silk manufacturing companies that have gone bankrupt in the last five years? THE WITNESS: Yes, sir.

MR. R. MURPHY: A. Which ones? There is the Hupbacher Company? A. Yes, and I think the Manhattan Mills went bankrupt in last time.

THE COMMISSIONER: That is not correct to my knowledge. The witness is a witness.

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of production, I imagine.

Q. And then it makes a big difference in respect to what a company can do as to how it is managed?

A. Will you agree with that?

5 Q. You will agree with that? A. I will agree with it without any difficulty.

Q. And in considering what tariff protection a company ought to have the question of management that a company gets is a big thing? A. That is right,  
10 if you want to put it on that basis.

Q. Well now, I want to discuss with you a question, the carrying on of the industry behind the tariff protection that it has had. I see from your file  
15 here - we have a file that is labelled "Silk Association of Canada, 1932, 1933, control of production."

A. You are not suggesting I wrote that?

Q. I don't know who wrote it. That is how the file comes from your office, is not it?  
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A. Yes.

Q THE COMMISSIONER: Are you putting in that file?

MR. McRUER: Yes, I am going to put in the whole file.

25 EXHIBIT 702: File of Silk Associations of Canada, controlled of production, 1932-1933.

THE WITNESS: We may have copies of that, I suppose?

MR. McRUER: Q. I find what purports to be  
30 an account of a meeting held in Montreal? A. May I see it, sir?

of protection, I imagine.

Q. And then it makes a big difference in respect to what a company can do as to how it is managed?

Q. You will agree with that? A. I will agree with it without any difficulty.

Q. And in considering what tariff protection a company ought to have the question of management in a company gets in a big thing? A. That is right, if you want to put it on that basis.

Q. Well now, I want to discuss with you a question the carrying on of the industry behind the tariff protection that it has had. I see from your file here - we have a file that is labelled "Silk Association of Canada, 1932, 1933, control of production."

A. You are not suggesting I rose that? Q. I don't know who wrote it. That is how the file comes from your office, is not it? A. Yes.

Q. The document that you are talking about is the whole file. MR. McNEIL: Yes, I am going to put in the

EXHIBIT 10: File of Silk Association of Canada controlled of production, 1932-1933 THE WITNESS: We may have copies of that, I

MR. McNEIL: I find that supports to be an account of a meeting held in Montreal? A. May I

see it, sir?

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Q. Yes. A. Witness looks at file.

Q. I am going to read the whole thing? A. I may have to look at it after you do read it.

Q. Yes, if you can follow me. It is a meeting  
"Montreal, Friday, January 13th, 1933, Salon A,  
Mount Royal Hotel, 10 A.M. Mr. Jackson Marx in the  
Chair." Now, the schedule attached has Canadian T.S.R.,  
Representative J. Beaubien & Boyle, 96 looms. Louis  
Ressel & Co. Limited, Representative J. Cowling,  
102 looms. Bruck Silk Mills, representative I. Bruck,  
224 looms. Grout's Limited, representative J.I. McSloy,  
238 looms. Slingsby Manufacturing Company, representa-  
tive, Mr. Staubb, 40 looms. Riverside Silk Mills  
Limited, Representative M. McCormick, 68 looms.  
British American Silk Mills Limited, representative  
Mr. Hodges, 40 looms. Associated Textiles of Canada,  
representative Jackson Marx, 258 looms. Consolidated  
Textiles Limited, Representative J. Bornstein, 126  
looms. M.E. Binz, representative Mr. Binz, 98 looms.

"1. Freight and Express charges  
were again discussed. Mr. Marx leading the dis-  
cussion of this topic and advocating that some  
immediate action be taken whereby customers  
would pay freight and express charges on incoming  
shipments. After considerable discussion on the  
part of all present, which was far from being  
intelligent or practical, J.I. McSloy...."

And that would be the representative of Grout's?

Yes. A. Witness looks at file.

I am going to read the whole thing?

may have to look at it after you do read it.

Yes, if you can follow me. It is a meeting

"Montreal, Friday, January 19th, 1933, Session A,

Mount Royal Hotel, 10 A.M. Mr. Jackson Marx in the

Chair." Now, the schedule attached has Canadian T. & S.

Representative J. Desjardins & Davis, 33 looms. Louis

Russell & Co. Limited, Representative J. Gowing,

108 looms. Brock Silk Mills, Representative I. Brock,

234 looms. Groat's Limited, Representative J. L. Groat,

238 looms. Slingby Manufacturing Company, representa

tive, Mr. Stubb, 40 looms. Riverside Silk Mills

Limited, Representative M. McCormick, 38 looms.

British American Silk Mills Limited, representative

representative Jackson Marx, 238 looms. Consolidated

Textiles Limited, Representative J. Hornsby, 128

looms. M. S. Marx, representative Mr. Marx, 38 looms.

"1. Freight and Express charges

were again discussed. Mr. Marx leading the dis-

cussion of this topic and advocating that some

immediate action be taken whereby customers

would pay freight and express charges on incoming

shipments. After considerable discussion on the

part of all present, which was far from being

intelligent or practical, J. L. Groat...."

And that would be the representative of Groat's?

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A. Yes.

"J.I. McSloy expressed the opinion that this topic tied in so closely with the question of terms, that in his opinion it was impossible to discuss one subject without considering the other. Insofar as the question of terms is already on the agenda for discussion at full meeting of Silk Association of Canada, the question of freight and express charges was again deferred.

2. Mr. Norman, representative of Price, Waterhouse & Company, the firm who made audits of all companies to check on the points decided at previous meeting, was present with report which he had already submitted to D. Hallam, Secretary of the Association. Considerable discussion took place as to whether or not this report should be read by Mr. Norman. Mr. Marx was of the opinion that by reading the report, individual mill figures would be disclosed and he was against this procedure. Mr. Bruck and Mr. Bornstein took this same view. After further discussion, the balance of the mills being in favour of having the report read, the three mills referred to above, agreed. At this stage it was agreed, in view of the fact that the figures for all mills having been disclosed, that D. Hallam should send copies to all mills of the vital points;

Yes.

...topic tied in so closely with the question of  
terms, that in his opinion it was impossible  
to discuss one subject without considering  
the other. Insofar as the question of terms  
is directly on the agenda for discussion  
at full meeting of Milk Association of Canada,  
the question of freight and express charges  
was again deferred.

Waterhouse & Company, the firm who made audits of  
all companies to check on the points decided  
at previous meeting, and which he had already submitted to D. Hoffman,  
Secretary of the Association. Considerable  
discussion took place as to whether or not  
this report should be read by Mr. Hoffman.  
Mr. Marx was of the opinion that by reading the  
report, individual milk figures would be  
disclosed and he was against this procedure.  
Mr. Bruck and Mr. Bernstein took this same  
view. After further discussion, the balance  
of the milk being in favour of having the  
report read, the three mills referred to above,  
of the fact that the figures for all mills  
having been disclosed.

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such copies to show number of looms;  
number of loom hours; yardage in grey; finished  
yardage. After the total loom hours worked  
by all mills during the period was laid on the  
table, calculations were produced to show that  
a cut of 40% approximately, was necessary. Such  
cut to be effected on all hours over and above  
a datum line of 55 hours per week. At this stage  
objection was taken by Riverside Silk Mills and  
British American Silk Mills to remaining  
on a datum line of 55 hours per week. Both  
Mills threatened to withdraw from the Conference  
if their datum line was not raised to 110 hours  
per week. At this stage (1.30 P.M.) the  
meeting adjourned for lunch to meet again at  
2.30 P.M.

At the afternoon meeting, it was agreed  
that the two mills mentioned in the preceding  
paragraph, should be placed on a datum line  
of 110 hours per week. The auditor then pro-  
duced figures showing that a cut of 40%  
approximately on all hours above datum line  
of 55 hours per week would be necessary to  
reduce the yardage production to approximately  
ten million yards per annum, which figure seemed  
to be generally accepted as the yardage the market  
would absorb. It was further pointed out that the  
overhang of dyed and finished goods at the moment

such copies to show number of looms;

number of loom hours; average in grey; finished

average. After the total loom hours worked

by all mills during the period was laid on the

table, calculations were produced to show that

a cut of 40% approximately, was necessary. Such

cut to be effected on all hours over and above

a datum line of 35 hours per week. At this stage

objection was taken by Riverside Silk Mills and

British American Silk Mills to remaining

on a datum line of 35 hours per week. Both

mills threatened to withdraw from the Conference

if their datum line was not raised to 110 hours

per week. At this stage (1.30 P.M.) the

meeting adjourned for lunch to meet again at

1.30 P.M.

At the afternoon meeting, it was agreed

that the two mills mentioned in the preceding

paragraph, should be placed on a datum line

of 110 hours per week. The auditor then pro-

duced figures showing that a cut of 40%

approximately on all hours above datum line

of 35 hours per week would be necessary to

reduce the average production to approximately

ten million yards per annum, which figure seemed

to be a reasonable basis for the proposed

reduction. It was further agreed that the

reduction of 40% on all hours over and above



was two and one half million yards, approximately.

5 The auditor then figured out the hours per week each mill would be entitled to run were such an arrangement as outlined in preceding paragraph put through. These loom hours are shown in column on attached schedule.

10 When the above mentioned figures were tabled by the auditor, Mr. Jackson Marx, Associated Textiles, and Mr. Staubb, Slingsby Mfg. Co., stated that they had no authority to agree on behalf of their respective mills to the reductions as listed. At this stage, Mr. Cowling expressed the opinion it would be a great mistake to allow  
15 the meeting to break up without some definite arrangements being arrived at. He stated that he was only operating 60% capacity and that he was not seeking a further production than 55 hours per week. Mr. Bornstein took serious objection to the principle of giving new datum lines to  
20 Riverside and British American. It was pointed out to Mr. Bornstein that although these mills were given the privilege of working 88 hours per week, that it did not mean they actually  
25 would operate 88 hours per week.

30 The figures which will be distributed by D. Hallam are the individual figures for each mill as per schedule attached herewith which applies to Grout's Limited, only.

was two and one half million yards, approximately  
The auditor then figured out the hours  
per week each mill would be entitled to run  
were such an arrangement as outlined in  
previously mentioned but was not  
hours are shown in column on attached schedule.  
When the above mentioned figures were tabled  
by the auditor, Mr. Jackson Marx, Associated  
Textiles, and Mr. Stubb, Ellingsby Mfg. Co.,  
stated that they had no authority to agree on  
behalf of their respective mills to the reduction  
as listed. At this stage, Mr. Dowling expressed  
the opinion it would be a great mistake to allow  
the meeting to break up without some definite  
arrangements being arrived at. He stated that he  
was only operating 80% capacity and that he  
was not seeking a further production than 88 hours  
per week. Mr. Bornstein took serious objection  
to the principle of giving new datum lines to  
diverside and British American. It was pointed  
out to Mr. Bornstein that although these mills  
were given the privilege of working 88 hours  
per week, that it did not mean they actually  
would operate 88 hours per week.  
The figures which will be distributed  
by D. Hallam are the individual figures for each  
mill as per schedule attached herewith which

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It was agreed that a further meeting should be held on Tuesday, January 24th, same place and time, Mr. Marx promised to get in touch with an expert in Washington who has had considerable experience on the limitation of production.

Mr. Norman the auditor, stated that a uniform system could be installed in every mill whereby loom hours could be accurately checked.

The following points were not raised for discussion:

(a) Maintenance of present prices in view of lower prices of raw silk.

(b) Idea of penalty for any infringement of any agreement entered into by any mill instead of the idea of each mill posting a bond.

(c) Question of introducing further looms into the country without notification to Association."

Now, the Schedule gives the number of looms and then a column "New Weekly Loom Hours" with an asterisk opposite Consolidated Textiles Limited "Of the total of 126 looms, 46 were installed and have only been operating since April 1st, 1932."

Now, did you commence about this time to keep loom hours? A. I could not answer that question.

Q. Well, I understood Mr. Woodward to say this morning that they had commenced to keep that information about that time and that was the reason why one of the statements put in could not go back earlier

It was agreed that a further meeting should  
be held on the day, January 25th, same place and  
time, Mr. Day promised to get in touch with an  
expert in Washington who has had considerable  
experience on the limitation of production.

The following points were not raised for  
discussion:

(a) Maintenance of present prices in view  
of lower prices of raw silk.

(b) Idea of penalty for any infringement of  
any agreement entered into by any mill in respect  
of the idea of such mill posting a bond.

(c) Question of introducing further income  
into the country without restriction to

Now, the Schedule gives two number of looms and then  
a column "New Weekly Room Hours" with an asterisk  
at the looms, 40 were installed and have only been  
operating since April 1st, 1932.

They had commenced to keep that infor-



because they did not have it? A. That is quite possible.

Q. Were you at this meeting? A. I don't think so. It says our representative.

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Q. Do you remember being there? A. No.

Q. Is Mr. McSloy connected with your Company now?

A. He is our Vice-President.

Q. Where does he live? A. In St. Catherines.

Q. So he was apparently the man that was there?

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A. Yes.

Q. Now, you are the Managing-Director? A.

That is right.

Q. Did he report to you what the plan was at the meeting? A. That is evidently a report to me.

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Q. Now, I know you do not want to be facetious-- is this a Report from Mr. McSloy? A. I would say so.

Q. Look at it and tell me if it is Mr. McSloy's report to you when he came back. I would have thought it was report sent out probably by Mr. Hallam?

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A. I would say it was a report from Mr. McSloy to me.

Q. Well then, what was his report to you, that you were going into this arrangement? A. I think at that time we were of the opinion that something should be done in regards to curtailment of loom hours.

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Q. The object being of the meeting--that the companies were getting together down in Montreal to arrange to curtail loom hours? A. That is right.

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Q. So as to control the production? A. They

Witness 9462

because they did not have it? A. That is quite possible.

Q. Were you at this meeting? A. I don't think so. I may not remember being there.

Q. No you remember being there? A. No. Q. Is Mr. Helly connected with your company now? A. He is our Vice-President.

Q. What was the date? A. I don't know. Q. So he was apparently the man that was there? A. Yes.

Q. Now, you are the Managing-Director? A. That is right.

Q. Did he report to you what the plan was at the meeting? A. That is evidently a report to me.

Q. Now, I know you do not want to be tedious-- is this a report from Mr. Helly? A. I would say

Q. Look at it and tell me if it is Mr. Helly's report to you when he came back. A. I would have thought

it was report sent out probably by Mr. Helly? A. I would say it was a report from Mr. Helly to

Q. Well then, what was his report to you, that you were asked into this arrangement? A. I think

it was the subject of discussion and something was done in regard to curtailment of loan hours. Q. The object being of the meeting--that the

arrangement was being made that was in regard to the curtailment of loan hours? A. That is right.

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were going to search for a basis on which they could do it.

Q. To control the production of silk on the market? A. So as to control production turned out by individual mills.

Q. And with the objective of maintaining a non-competitive price? A. With the object of not losing money.

Q. You say 'not losing money'--but maintaining a non-competitive price? A. Prices are always competitive.

Q. Well, if the production is controlled it wont be quite so competitive? A. Well, put it that way if you like.

Q. That is not an unfair way to put it? A. No, not at all.

Q. Well, what happened in regard to this enterprise? A. Nothing as far as I know.

Q. Well, they seem to go to a lot of trouble about it, and then Mr. Hallam went on reporting to you the amount of production they manufacture and is still doing so? A. Quite.

Q. Now, what happened after this meeting--did it all drop there? A. It all dropped so far as I know. They could not come to an agreement.

Q. That some of the mills were not satisfied to have their production controlled, is that it?

A. Well, some of them may have complained about the rate at which they were to curtail.

Q. Now, I want to take up with you one or two

were going to search for a basis on which they could  
do it.  
Q. No control the production of silk on the  
market? A. So as to control production through  
out by individual mills.  
Q. And with the objective of maintaining a non-  
competitive price? A. With the object of not  
losing money.  
Q. You say 'not losing money'--but maintaining  
a non-competitive price? A. Prices are always  
competitive.  
Q. Well, if the production is controlled it  
won't be quite so competitive? A. Well, but it  
that way if you like.  
Q. That is not an unfair way to put it?  
A. No, not at all.  
Q. Well, what happened in regard to this entire  
price? A. Nothing as far as I know.  
Q. Well, they seem to go to a lot of trouble  
about it, and then Mr. Holmes went on reporting to  
you the amount of production they manufacture and  
is still doing so? A. Quite.  
Q. Now, what happened after this meeting--did it  
all drop there? A. It all dropped so far as  
I know. They could not come to an agreement.  
Q. That some of the mills were not satisfied  
to have their production controlled, is that it?  
A. Well, some of them may have complained about  
the rate at which they were to control.

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letters that have been filed. Probably, I am  
changing the subject now, My Lord.

THE COMMISSIONER: We will take a recess.

---Adjourned at 3.45 p.m.

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letters that have been filed. Probably, I am  
changing the subject now, my lord.  
THE COMMISSIONER: We will take a recess.  
--Adjourned at 3.45 p.m.

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-- On resuming.

BY MR. McRuer: Q. Mr. Watson, I have a letter of yours dated March 5th, 1934, Exhibit 616, written by you to Mr. Hallam; it has this paragraph:

5 "I have just been wondering whether it might not be a good idea to have a meeting of the Executive as I don't think it is too early to start to try to put out the propaganda for the collection of the funds for the inevitable which must happen before 10 long, i.e. an election."

Why were you writing to Mr. Hallam about having a meeting of the Executive to start to try to put out the propaganda for the collection of funds for the 15 inevitable? A. I make many suggestions to Mr. Hallam.

Q. Oh, well, that is no answer whatever to the question I ask you, is it? A. Well, it is 20 a suggestion to him, is it not?

Q. I asked you, why you were making it?

A. Well, I make a lot of suggestions, Mr. McRuer.

Q. Oh, now, Mr. Watson, I want to get on as 25 quickly as I can. Please tell me. I asked you why you were writing as you did, and you say you make a lot of suggestions; that is not an answer, is it? A. Well, it is an idea I had, and I passed it on to him.

Q. Your idea was, that you thought the time

Q. Now, Mr. Watson, I have a letter  
written by you to Mr. Helton; it has this paragraph:  
"I have not been wondering whether it  
might not be a good idea to have a meeting  
of the Executive as I don't think it  
is too early to start to try to put out the  
propaganda for the collection of the funds  
for the inevitable which must happen before  
long, i.e. an election."  
Why were you writing to Mr. Helton about having a  
meeting of the Executive to start to try to put out  
the propaganda for the collection of funds for the  
inevitable? A. I made many suggestions to  
Mr. Helton.  
Q. Oh, well, that is no answer whatever to  
the question I ask you, is it? A. Well, it is  
a suggestion to him, is it not?  
Q. I asked you, why you were making it?  
A. Well, I made a lot of suggestions, Mr. Helton.  
Q. Oh, now, Mr. Watson, I want to get on as  
quickly as I can. Please tell me. I asked you  
why you were writing to him, and you say you  
made a lot of suggestions; what is that suggestion,  
is it? A. Well, it is an election, and I thought  
it was time to have it.

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was ripe for the Executive of your Association to start putting out propaganda? A. That is what it says.

5 Q. What kind of propaganda? A. I had nothing definite in mind.

Q. You had nothing definite in mind? A. No.

Q. But you did have something definite in mind, and that is they were to collect money for the election? A. That is what it says.

10 Q. And I suppose your idea was that it would be used as campaign funds? A. That is the obvious idea.

Q. That was the purpose of it? A. That is the obvious idea.

15 Q. To support a high tariff policy? A. Possibly.

Q. Possibly? A. Yes, possibly.

Q. I think "probably" would be stronger, Mr. Watson. Did your company issue anything in the nature of leaflets, or anything of that kind, to the employees? A. No, sir.

20 Q. Or put anything in the pay envelopes? A. No, sir.

Q. In 1930 did your company not post signs in the mill making suggestions to the employees as to how they should vote? A. 1930?

Q. Yes? A. That is a long way back, sir.

Q. Is that too far back for you to remember?

A. I am afraid so.

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Q. I think you ought to try and remember those

was ripe for the Executive of your Association to

start putting out propaganda? A. That is what it

Q. What kind of propaganda? A. I had nothing

definite in mind.

Q. You had nothing definite in mind? A. No.

Q. But you did have something definite in mind,

and that is they were to collect money for the electric

A. That is what it was.

Q. And I suppose your idea was that it would be

used as campaign funds? A. That is the obvious idea

Q. That was the purpose of it? A. That is the

obvious idea.

Q. To support a high tariff policy? A. Possibly

Q. I think "probably" would be stronger, Mr. Watson

Did your company have anything in the nature of

leaflets, or anything of that kind, to the employees?

A. No, sir.

Q. Or put anything in the pay envelopes? A. No,

sir.

Q. In 1930 did your company not post signs in the

will making suggestions to the employees as to how they

should vote? A. 1930?

Q. Yes? A. That is a long way back, sir.

Q. Is that too far back for you to remember?

A. I think so.

Q. I think you ought to try and remember those



good days; cannot you think? A. Really, sir, I cannot.

Q. You cannot remember whether or not you placed signs in the mill? A. That is right.

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Q. Indicating to the employees how they should vote? A. That is right.

Q. Well, you won't say that you did not do it? A. I would say it was very unlikely.

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Q. You would say it was very unlikely? A. Yes I would.

Q. Now, I have another letter dated April 13th, 1932, which is Exhibit 628, from you to Mr. Hallam, which contains the following statement:

15

"As a matter of fact the Broad Silk weaving

industry in Canada has more looms for a ten

million population than the English market

for fifty million and other Empire countries

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have practically no broad Silk industry of any

kind so it seems to me, first, a question

as to the amount of preference necessary to

compete with foreign countries on importations t

the Empire countries, Second, there are no

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lines we are producing which could be made

duty free or the duty lowered when imported

from Great Britain inasmuch as the duty is

already much too low and should there be a domes-

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tic industry in Great Britain they could capture

the Canadian market without any difficulty

good days; cannot you think? A. Really, sir, I

Q. You cannot remember whether or not you placed

signs in the mill? A. That is right.

Q. Indicating to the employees how they should

vote? A. That is right.

Q. Well, you would say that you did not do it?

A. I would say it was very unlikely.

Q. You would say it was very unlikely? A. Yes

Q. Now, I have a question letter dated April 1934,

1934, which is Exhibit 628, from you to Mr. William,

which contains the following statement:

"As a matter of fact the broad silk weaving

industry in Canada has more looms for a ten

million population than the Empire has

for fifty million and other Empire countries

have practically no broad silk industry of any

kind so it seems to me, first, a question

as to the amount of preference necessary to

compete with foreign countries on importations

the Empire countries, second, there are no

lines we are producing which could be made

duty free or the duty lowered when imported

from Great Britain inasmuch as the duty is

already paid on the raw material used in the

the industry in Great Britain and the duty is

the industry in Great Britain and the duty is

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and it is only because of a lack of domestic industry in Great Britain that there are no English exports."

A. May I have that, sir?

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Q. Yes. Now, that is dated 1932.

You were apparently complaining at that time that the duties were too low? A. That has a particular reference to silk, sir.

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Q. Yes. A. Silk from Great Britain.

Q. Yes? A. Could I have the rate on silk, Mr. McRuer?

Q. Mr. Berry might look it up. Have you got it handy, Mr. Berry?

15

MR. BERRY: 26-inch wide it was  $27\frac{1}{2}\%$  less 10%.

THE WITNESS: Does it matter if I put that on here, Mr. McRuer.

MR. McRUER: No, don't write on there, please.

20

THE WITNESS: All right.

MR. BERRY: And 26 inches and less it was  $17\frac{1}{2}\%$  less 10%.

BY THE COMMISSIONER: Q. No specific duty?

A. No specific duty.

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BY MR. McRUER: Q. Did you make any silk less than 26 inches? A. No, I don't believe so.

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Q. Now, is it a correct statement to make, that Canada has more looms for a 10,000,000 population than the English market for 50,000,000; you say here:

and it is only because of a lack of domestic  
industry in Great Britain that there are no  
"English exports."

A. Why I have that air?

A. Yes. Now, that is dated 1932.

For were apparently complaining at that time that  
the duties were too low? A. That has a cer-  
tain reference to silk, sir.

Now, sir, will you please explain.

A. Yes? A. Could I have the rate on silk,

Mr. Bennett?

A. Mr. Bennett might look it up. Have you got it?

Handy, Mr. Bennett?

MR. BENNETT: 22-inch wide it was 27 1/2 less 10%.

THE WITNESS: Does it matter if I put that on

here, Mr. Bennett?

MR. BENNETT: No, don't write on there, please.

THE WITNESS: All right.

MR. BENNETT: And 22 inches and less it was 17 1/2

less 10%.

Now, sir, will you please explain.

A. No specific duty.

MR. BENNETT: Did you make any silk less

than 22 inches? A. No, I don't believe so.

A. Now, is it a correct statement to make,

that Canada has more looms for a 10,000,000 population

than the United States for 100,000,000?

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"As a matter of fact the Broad Silk Weaving Industry in Canada has more looms for a 10,000,000 population than the English market for 50,000,000?"

5 A. I believe so. We try to check that up, but Mr. Farrell could not get us the figures.

BY THE COMMISSIONER: Q. Well, the way that is put it is equivocal. Does it mean there are more looms in Canada, or more looms per ratio of population?

10 A. I would say, sir, more silk looms for 10,000,000 people.

BY MR. McRUER: Q. Here is another letter of yours to the Canadian Manufacturing Association about the same time, where a similar statement is made.

15 A. That is right.

BY THE COMMISSIONER: Q. Well, of course you were mistaken when speaking of 50,000,000?

20 MR. McRUER: There is a slight difference in the millions.

THE COMMISSIONER: The population is not more than 38,000,000.

25 THE WITNESS: I was including Scotland, and the British Isles. They all have the preference rate.

BY MR. McRUER: Scotch people do not use silk?

A. As a matter of fact, one of the best mills is in Scotland, a Swiss mill.

30 Q. That is a clear indication that it is a profitable business? A. Possibly.

"as a matter of fact the Broad Silk weaving

industry in Canada has more looms for a 10,000,000

population than the English market for 50,000,000

A. I believe so. We try to check that up, but Mr.

Marshall could not get us the figures.

BY THE COMMISSIONER: Well, the way that is

put is equivocal. Does it mean there are more looms

in Canada, or more looms per ratio of population?

A. I would say, sir, more silk looms for 10,000,000

people.

BY MR. MORRIS: Here is another letter of yours

to the Canadian Manufacturing Association about the

same time, where a similar statement is made.

A. That is right.

BY THE COMMISSIONER: Well, of course you were

mistaken when speaking of 50,000,000?

MR. MORRIS: There is a slight difference in the

millions.

THE COMMISSIONER: The population is not more

than 50,000,000.

THE WITNESS: I was including Scotland, and

the British Isles. They all have the preference

rate.

BY MR. MORRIS: Scotch people do not use silk

A. As a matter of fact, one of the best mills is in

Scotland, a fine mill.

A. That is a fine mill, that is the

Scottish mill.



Q. I did not think the market would be so big up there.

5 BY THE COMMISSIONER: Q. You say that there are more silk looms in Canada than in Scotland and England together? A. That is right, sir; I believe that to be so.

10 BY MR. McRUER: Q. How can you, by tariff or any other way, suggest that a condition like that can always be maintained; why do the people of Canada manage to consume so much silk; are they more silk-minded than the people in England?

A. They must be. The per capita consumption is greater.

15 BY THE COMMISSIONER: Q. What are the Canadian exports of silk? A. Very small, sir.

20 BY MR. McRUER: Q. Do you export any from Canada, Mr. Watson? A. Well, we sent a shipment of prints to England and lost plenty of money on it.

25 Q. You do not attempt to go into the English market? A. No. I want to be quite accurate, Mr. McRuer. We have sent small shipments of novelty silk too. I mean, we have sent to one man a few pieces of very high class novelties that were out at that time; he happened to be out here and saw them, and felt he could get them cheaper here than in the United States.

30 Q. It would be kind of funny business, would it not, for a company to come out from England and start making silks here and ship it back to England?

.. I did not think the market would be so big

up there.

BY THE CHAIRMAN: Q. You say that there are

more silk looms in Canada than in Scotland and Ireland

to-day? .. That is right, sir; I believe that

to be so.

BY MR. McNEIL: Q. How can you, by virtue of

any other way, say that it is a situation like that and

always be maintained; why do the people of Canada

manage to consume so much silk; are they more silk-

conscious than the people in England?

A. They must be. The per capita consumption is greater

BY THE CHAIRMAN: Q. What are the quantities

exports of silk? A. Very small, sir.

BY MR. McNEIL: Q. Do you export any from Canada?

MR. McNEIL: A. Well, we sent a shipment of prices

to England and lost plenty of money on it.

Q. You do not attempt to go into the English

market? A. No. I want to be quite accurate,

MR. McNEIL: We have sent small shipments of novelty

silk too. I mean, we have sent to one man a few

pieces of very high class novelties that were cut

at that time; he happened to be out here and saw

them, and felt he could get them cheaper here than in

the United States.

.. It would be just as easy to say, "I

and, I am a regular in some of the English and French

market since here and only it is in England



9471

Watson

A. As a matter of fact, sir, we have it in that agreement that we won't sell in England.

Q. Oh, well, I see; that is a fairly good reason.

5 BY THE COMMISSIONER: Q. What about other countries; do you export to other countries? A. There is practically no export business, I am speaking, of course, for our own companies.

10 BY MR. McRUER: Q. Does your agreement extend to other countries? A. No, just to England.

Q. I ran across a letter, in which you had said that exports to other countries were taken care of by Grout's in England? A. No, there is no agreement to that effect.

15 Q. Well, is there a sort of tacit understanding? A. No. You show me some export business that is profitable and I will go out after it.

Q. You will try and get it? A. Yes, sir.

20 Q. I show you Exhibit 633, which is a letter dated 17th October, 1935, written to Mr. Hallam, and it reads as follows:

25 "In reply to yours of the 15th inst., it has just occurred to me that there are one or two more angles that it might be well for us to consider in regards to the coming Hearing before the Tariff Board."

What hearing was it that you were referring to?

30 A. I would imagine the Artificial Silk Fabric one.

A. And application for the reduction of the duties

A. As a matter of fact, sir, we have it in that agreement that we won't sell in England.

Q. Oh, well, I see; that is a fairly good reason.

BY THE COMMISSIONER: Q. What about other countries?

A. You export to other countries? There is practically no export business, I am speaking of course, for our own companies.

BY MR. WATSON: Q. Does your agreement extend

to other countries? No, just to England.

Q. I can suppose a letter, in which you had said

that exports to other countries were taken care of

by Grant's in England? No, there is no agreement

to that effect.

A. No. You show me some export business that is

profitable and I will go out after it.

Q. You will try and get it? A. Yes, sir.

Q. I show you Exhibit 638, which is a letter

dated 17th October, 1935, written to Mr. Hallam,

and it reads as follows:

"In reply to yours of the 15th inst., it

has just occurred to me that there are one or two

more angles that it might be well for us to

consider in regards to the coming Hearing before

that hearing was it that you were referring to?

.. and apply them for the reduction of the rates



on artificial silk fabrics? A. That seems to be about the date, October 17th, 1935.

Q. Your letter reads:

"If the judge and the Tariff Board are not in too good standing and they are liable to be dismissed it would be fair I suppose, to take the attitude that the Government even on the coming Budget would not implement any reports that they may make and if eventually he is going to be removed it might be well for us to consider making the coming Hearing more or less of a shadow one taking the attitude that there is no use telling your whole story when you will not get hurt one way or the other if you don't.

In fact if you think about this matter the more you think about it the nicer it really sounds if we are all prepared to take the chance."

Now, what was it you were suggesting to Mr. Hallam there in connection with the hearing before the Tariff Board.

A. Well, I think someone made the statement about my letters, that they never left anything to --

Q. To the imagination? A. To the imagination.

that they always struck right out and said what they meant.

Q. Well, what provokes my curiosity, Mr. Watson, is that you are writing to the Secretary of the Association, a very representative association, of the Silk Industry in Canada; you are the Chairman of the

on artificial silk fabrics? A. That seems to be

about the case, between 1922, 1923.

Yes, after that.

"If the Judge and the Tariff Board are not

in too good standing and they are liable to be

dismissed it would be fair I suppose, to take

the attitude that the Government even on the

main point would not be bound to accept

that that was not a necessary part of the

in the Tariff Board it might be well to be

making the coming hearing more or less of a shadow

one taking the attitude that there is no use

telling your whole story when you will not get

hurt one way or the other if you don't.

In fact if you think about this matter

the more you think about it the nicer it really

sounds if we are all prepared to take the chance.

Now, what as it you were suggesting to Mr. Nathan there

in connection with the hearing before the Tariff Board.

A. Well, I think Nathan and the Tariff Board

letters, that they never left anything to --

A. To the imagination?

that they always struck right out and said what they

meant.

A. Well, what provokes my curiosity, Mr. Watson,

is that you are writing to the Secretary of the

Association, a very representative association, as to

Silk Industry in Canada; you are the Chairman of the



Tariff Committee, and you are making a suggestion to him, that, in regard to a solemn hearing at the Tariff Board in Ottawa, you should make more or less a farce of it. A. I told you I was full of suggestions.

Q. Well, is that the way the Chairman of the Silk Association conducts his business in regard to tariff matters, that you are prepared to make a farce of a Tariff Board hearing in Ottawa? A. That does not say that Mr. Hallam followed my suggestion.

Q. Probably Mr. Hallam was wiser than you. But I am saying you were prepared to do it, apparently, anyway? A. That is what it says.

Q. Yes, and you say the more you thought about it the nicer it got? A. That is what it says. Of course, I did not think it would be brought out in this hearing.

Q. Why is the Government not entitled to receive honest information from your industry? A. I think they do.

Q. I see. Well, in this instance you were not proposing to give it to them; you were going to make it a sort of a shadow. A. It was only a suggestion.

Q. I know, but it was a nice suggestion. Those are your own words, at least, you thought it was a nice one. Now, what was your object? A. I think it is quite clearly set out there.

Q. So that you would deceive the Government about

Tariff Committee, and you are making a suggestion to him, that, in regard to a solemn hearing at the Tariff Board in Ottawa, you should make more or less a farce of it. A. I told you I was full of suggestions.

Q. Well, is that the way the Chairman of the Silk Association conducts his business in regard to tariff matters, that you are prepared to make a farce of a Tariff Board hearing in Ottawa? A. That does not say that Mr. Neilson followed my suggestion. Q. For a Mr. Neilson was wiser than you.

Q. But I am saying you were prepared to do it, apparently, anyway? A. That is what it says. Q. Yes, and you say the more you thought about

it the nicer it got? A. That is what it says. Q. Of course, I did not think it would be brought out at this hearing.

Q. Why is the Government not entitled to receive honest information from your industry? A. I think they do.

Q. I see. Well, in this instance you were not prepared to give it to them; you were trying to make it a sort of a charade. A. It was only a suggestion.

Q. I know, but it was a nice suggestion. Those are your own words, at least, you thought it was a nice one. Now, what was your object? A. I think it was quite different and was fairly.



the true condition of the industry? A. I would not say that. That is putting rather the worst implication on it, is it not, sir?

5 Q. Well, if you are just making it a sort of shadow, what was your idea in doing that? A. After all, when you go before them they ask you for what they want, do they not? It isn't a question of what you want.

10 A. This was written three days after an election, and in regard to a hearing at which I should think the members of the Tariff Board were entitled to be treated a little differently by a great representative  
15 body of the industry, but you thought it would be quite all right to do that? A. It was only a suggestion.

20 Q. You thought it would be quite all right to follow that suggestion? A. Maybe they would have argued me out of it before it came down to the point.

Q. Well, that was your opinion at that time at any rate? A. Well, it is there.

25 Q. Well, that is perfectly frank, Mr. Watson. Now, I show you a letter dated the 12th of March, 1934. It is not an exhibit yet.

THE COMMISSIONER: Are you putting it in now, Mr. McRuer?

MR. McRUER: Yes, my lord.

30 THE COMMISSIONER: Who is it from?

MR. McRUER: It is from Mr. Hallam to Mr. Watson.

the true condition of the industry? A. I would not say that. There is nothing rather the same situation on it, is it not, sir?

Q. Well, if you are just making it a sort of shadow, what was your idea in doing that? A. After all, when you go before them they ask you for what they want, do they not? It isn't a question of what you want.

10 This was written three days after an election and in regard to a hearing at which I should think the members of the Tariff Board were entitled to be treated a little differently by a great representative body of the industry, but you thought it would be quite all right to do that? A. It was only a

15 suggestion. You thought it would be quite all right to follow that suggestion? A. Maybe they would have argued me out of it before it came down to the point.

20 Q. Well, that was your opinion at that time or any later? A. Well, it is there. . . . Well, that is perfectly frank, Mr. Watson. Now, I show you a letter dated the 15th of March, 1944, is it not an exhibit?

25 THE COMMISSIONER: Are you putting it in now, Mr. McNair? MR. McNair: Yes, my Lord. THE COMMISSIONER: Who is it from? MR. McNair: It is from Mr. Salter to Mr. Watson.



THE COMMISSIONER: What is the date of it,  
Mr. McRuer?

MR. McRUER: It is dated 12th March, 1934, my lord.

5 THE COMMISSIONER: That will be Exhibit 703.

EXHIBIT 703: Letter dated March 12th, 1934,  
from Douglas Hallam to P.R. Watson

MR. McRUER: It reads as follows:

"Dear Mr. Watson: Habutai Twill,

10 I do not quite know how to answer the  
Customs Department enquiry regarding this  
material for scarves.

The following mills report they do not  
make it:

15 Associated Louis Roessel,  
British American, Riverside,  
Consolidated, Slingsby,  
Grout's

Is there any fabric made that would sub-  
stitute for this? Should we get one of the  
20 mills shrewdly suspect that the enquiry comes from  
Mr. Katz, Allied Art Printing Co., Montreal."

Now, there had been an inquiry in regard to Habutai  
Twill, as to whether there should be a ruling that it  
was of a class or kind not made in Canada? A. I  
25 should think that would be so, sir.

Now, I find in reply to that a letter dated  
the 14th March, 1934. These might all go together,  
my lord, as the same exhibit.

30 THE COMMISSIONER: What is the date of the  
answer?





MR. McRUER: 14th March, 1934.

THE COMMISSIONER: All right.

MR. McRUER: It reads:

"Dear Sir:

5 As told you over the 'phone I feel that  
to tell the Customs Dept. that this sample of  
Habutai Twill is not made in Canada would be the  
same as telling them to allow 10 momme plain  
crepe de-chene in under this scarf item so that  
10 I am putting in work today a 40 yard piece that should  
be a duplication of the sample attached to your  
letter.

15 Is it now possible to tell the Customs  
that we are making it and we can show it to their  
customer in ten days time although undoubtedly he  
will not be pleased with the price compared to the  
price that he can buy it for in Japan if he can get  
it in under the scarf item.

20 I feel however, that it would be just  
hopeless to open this scarf item up to anything  
like this."

and then a further letter dated March 26th, 1934.

25 THE COMMISSIONER: From whom, Mr. McRuer?

MR. McRUER: From Mr. Watson to Mr. Hallam,  
reading as follows:

30 "I am sending you enclosed a boiled-off  
sample of the Habutai twill of which I am making  
you a proper length sample."

THE HONOURABLE THE SECRETARY OF STATE  
OTTAWA

Dear Sir:

I am sending you enclosed a bottle of

as told you over the phone I feel that

to send the Customs report. This is a copy of

Harbour Trawl is not made in Canada would be the

one de-charge in under this scarf item so that

I am putting in work today a 40 yard piece that should

be a duplication of the sample attached to your

letter.

Is it now possible to tell the Customs

that we are making it and we can show it to their

customer in ten days time although undoubtedly he

will not be pleased with the price compared to the

price that he can buy it for in Japan if he can get

it in under the scarf item.

I feel however, that it would be better

hopeless to open this scarf item up to anything

the same.

Very truly yours,

MR. MONTGOMERY FROM MR. TAYLOR TO MR. HILLMAN

Enclosed for Mr. Hillman

I am sending you enclosed a bottle of

as told you over the phone I feel that

to send the Customs report. This is a copy of

Harbour Trawl is not made in Canada would be the

one de-charge in under this scarf item so that



I beg your lordship's pardon, there is a letter that should go before that, it was reversed on the file; it is a letter from Mr. Hallam to Mr. Watson.

5

THE COMMISSIONER: What is the date of it?

MR. McRUER: It is dated the 21st of March, 1934.

"Dear Mr. Watson:

10

I am holding up my answer to Ottawa re Habutai Twill until I can get a sample from you. Please let me have a sample when ready."

And then Mr. Watson's letter of the 26th March, 1934:

15

"I am sending you enclosed a boiled-off sample of the Habutai twill of which I am making you a proper length sample.

20

This will give you some idea of how easily it can be produced although this sample is not anything like the finished merchandise will be and if you do not think it is of nice enough looks to show we will have the sample in very short order for you."

25

And there is a lot of memranda on the letter of March 21st, including a sample print; this was a sample that you had made up, was it? A. I think that would be the sample that came from Ottawa.

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Q. So that apparently what you were doing was this, that there had been an inquiry from someone who wish to import this article, an inquiry at Ottawa as to whether it was of a class or kind made in Canada, and Ottawa has referred it to Mr. Hallam for information;

Watson

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I beg your lordship's pardon, there is a letter that should go before that, it was reversed on the file;

It is a letter from me, written to Mr. Watson.

THE COMMUNICATION: What is the date of it?

MR. WATSON: It is dated the 1st of March, 1934.

Dear Mr. Watson:

I am holding up my answer to Ottawa re

Habutai Twill until I can get a sample from

you. Please let me have a sample when ready."

And then Mr. Watson's letter of the 23rd March, 1934:

"I am sending you enclosed a bollock-off

sample of the Habutai twill of which I am

making you a proper length sample.

This will give you some idea of how

easily it can be produced although this sample

is not anything like the finished merchandise

will be and if you do not think it is of use

enough looks to show we will have the sample

in very short order for you."

And there is a lot of remarks on the letter of

March 21st, including a sample print; this was a

sample that you had made up, was it? A. I think

that would be the sample that came from Ottawa.

Q. So that apparently what you were doing was

that, that they had been in Ottawa for some

time and they had made up a sample of the

as to whether it was of a class or kind made in Canada

and Ottawa has referred it to Mr. Hallam for information.



Mr. Hallam has circularized all the mills but you,  
and has found that it was not made by any of them,  
and you were not making it at the time, and you got  
busy and made a sample so that he would have it to  
show to Ottawa to say it was of a class or kind--  
A. Might I suggest that it was possible that someone  
brought it in and entered it as a class or kind  
not made in Canada.

Q. As a class or kind not made in Canada, yes.  
And, as a matter of fact, it was of a class or kind  
not made in Canada at that time? A. Well, now,  
when you get in to class or kind, that covers quite  
a lot.

Q. At any rate -- A. That is a pretty  
broad definition, "Class or kind"?

A. Yes. You evidently did not think you had a good  
case to argue on it, because you got busy making up  
a sample that Mr. Hallam could show at Ottawa?

A. That is your interpretation.

Q. That is what you were doing, is it not?

A. Yes, we were making up the sample.

Q. For him to show to Ottawa? A. Right.

Q. And to represent to Ottawa, that it was of  
a class or kind; the purpose of the sample was to  
show to Ottawa that it was of a class or kind?

A. As a matter of fact, I think he represented that;  
I do not know that he produced the sample.

Q. Well, your letter sends it to them?

Mr. William has characterized all the mills but you  
and has found that it was not made by any of them,  
and you were not making it at the time, and you got  
busy and made a sample so that he would have it to  
show to Ottawa to say it was of a class or kind--  
A. Might I suggest that it was possible that someone  
brought it in and entered it as a class or kind  
not made in Canada.  
.. As a class or kind not made in Canada, yes.  
.. As a matter of fact, it was of a class or kind  
not made in Canada at that time? A. Well, now,  
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a lot.  
.. At any rate -- A. That is a pretty  
broad definition, "class or kind"?  
.. Yes. You evidently did not think you had a good  
case to argue on it, because you got busy making up  
a sample and called it a class or kind.  
A. That is your interpretation.  
.. That is what you were doing, is it not?  
A. Yes, we were making up the sample.  
.. For him to show to Ottawa? A. Right.  
.. And to represent to Ottawa, that it was of  
a class or kind; the purpose of the sample was to  
show to Ottawa that it was of a class or kind?  
A. As a matter of fact, I think he represented that;  
I do not know that he produced the sample.  
.. Well, your letter sends it to them?

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A. It is a boil-off sample.

Q. That is what you say? A. That is right.

Q. Now, you say in your letter that you were prepared to quote to this prospective purchaser a price within ten days? A. Does it say that in the letter? A. It says you will be prepared to quote within ten days, but the price may be not be attractive, Here are the exact words:

"Is it now possible to tell the Customs that we are making it and we can show it to their customer in ten days time although undoubtedly he will not be pleased with the price compared to the price that he can buy it for in Japan if he can get it in under the scarf item."

A. That is right.

Q. So that until that time you did not feel that it was commercially necessary to supply the market with that item in Canada, - and no other mill had?

A. Well, after all, style changes, and things that are not wanted to-day become wanted later on.

Q. Well now, do you feel that that was a proper way to put it before the Customs Department without telling them that it was a special sample made up for the occasion? A. I do not know how Mr. Hallam put it to the Customs Department.

Q. Don't you think you should have seen to it that Mr. Hallam put it to the Customs Department that it was a special sample made up for the occasion?





A. I suppose you could put that interpretation on it, if you wish?

THE COMMISSIONER: Yes, but that is not the interpretation that is on it yet. However, it speaks for itself, and Mr. Kellock may have something to say about it. Do you know what happened to that case in the Customs Department?

MR. McRUER: No, my lord, I do not know. I can have that followed up.

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A. I suppose you could put that interpretation on it,

is that right?

THE COMMISSIONER: Yes, but that is not the

interpretation that is on it yet. However, it appears

for itself, and Mr. Neilson may have something to

say about it. Do you know what happened to that

case in the Customs Department?

MR. NEILSON: No, my lord, I do not know.

can have that followed up.

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5 Q. Now, we had some correspondence in Toronto indicating that the Silk Association had been sending propaganda to the United States for the purpose of rather discouraging enterprising gentlemen from coming over here to start manufacturing silk. Was that the considered policy of the Association?

A. Can you show me the instance, sir.

10 Q. Well, yes, there were some articles sent down by Mr. Hallam to the different papers down there, etc? A. Well, he furnished them with news items from time to time, does not he, sir?

Q. Yes, I am talking about -was it the considered policy of the Association that he should do that?

15 A. No, I don't think it was the considered policy of the Association.

Q. Was it ever considered? A. Yes, I put forth the idea once or twice myself personally.

20 Q. You yourself put forward the idea that you should send some propaganda to the United States to discourage the entry of competing firms into the Canadian market? A. Yes, that is right.

25 THE COMMISSIONER: You say "the entry of competing firms into the Canadian market"--you mean the establishment.

MP. McRUER: Q. The establishment of new business in Canada--that is what we mean? A. Yes.

30 Q. I have a copy of an article, a letter dated October 1st, 1930, which is from Mr. Hallam to you sending a copy of an article from the Daily News

Q. Now, we had some correspondence in Toronto

indicating that the Silk Association had been

sending propaganda to the United States for the

purpose of rather discouraging enterprising gentlemen

from coming over here to start manufacturing silk.

Was that the considered policy of the Association?

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down by Mr. Hallam to the different papers down

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with news items from time to time, does not he, sir?

Q. Yes, I am talking about - was it the considered

policy of the Association that he should do that?

A. No, I don't think it was the considered policy

of the Association.

Q. Was it ever considered?

A. Yes, I put forth the idea once or twice myself personally.

Q. You yourself put forward the idea that you

should send some propaganda to the United States

to discourage the entry of competing firms into the

Canadian market? A. Yes, that is right.

Q. The Commission: You say "the entry of competing

firms into the Canadian market"--you mean the

establishment.

Q. The establishment of new

business in Canada--that is what we want? A.

Yes.

Q. I have a copy of an article, a letter dated

October 1st, 1930, which is from Mr. Hallam to you

regarding a copy of an article from the Daily News



Record and American Silk Journal: "When it is published in the States, I will have it re-published in Canada"? A. Yes.

5 And this is a very dismal sort of article on the conditions of the trade here? A. That is 1930. I believe that is so in 1930.

Q. Yes, October 1st, 1930.

THE COMMISSIONER: What Exhibit number is that?

MR. McRUER: I will just file this.

10 THE WITNESS: After all that ties in with His Lordship's question.

THE COMMISSIONER: Was not that put in in Toronto?

15 MR. McRUER: I do not think copy of article was put in in Toronto. It is a letter from Mr. Hallam to Mr. Watson dated October 1st, 1930, enclosing a copy of an article.

20 THE WITNESS: That ties in with His Lordship's question sometime ago why we made such a small profit in 1930.

THE COMMISSIONER: That was not my entire question. It was why percentage of your profits stood out higher in 1931 than in 1932--I mean profits over sales. We will come to that bye and bye.

25 MR. McRUER: I was curious as to why something else stood out.

THE COMMISSIONER: Where is that article published?

30 MR. McRUER: In the Daily News Record and American Silk Journal, New York. Just a paragraph

published in the States, I will have it re-published in Canada? A. Yes.

and this is a very strange sort of article on the conditions of the trade here? A. That is 1930. I believe that is so in 1930.

THE COMMISSIONER: That exhibit number is that? MR. McNEIL: I will just file this.

THE WITNESS: After all that time in with His

THE COMMISSIONER: Was not that put in in

MR. McNEIL: I do not think copy of article was put in in Toronto. It is a letter from Mr. Haines to Mr. Watson dated October 1st, 1930, enclosing a copy of an article.

THE WITNESS: That time in with His Lordship's question sometime ago why we made such a small profit in 1931.

THE COMMISSIONER: That was not my entire question. It was why percentage of your profits stood out higher in 1931 than in 1932--I mean profits over sales. We will come to that bye and bye.

MR. McNEIL: I was curious as to why something else stood out.

THE COMMISSIONER: Where is that article published?

MR. McNEIL: In the Daily News Record and American Silk Journal, New York.



in the middle that I want to refer Your Lordship to now:

5 "In consideration of these factors well informed  
"ed circles in the industry are of the opinion  
"that, while the new duty rates will enable  
"mills in Canada with idle weaving machinery  
"to start it up again, there will be little if  
"any room for expansion for new machinery for  
10 "two or three years, this being partly due  
"to the amount of machinery that was installed  
"a year ago, and to a reduction in consumption  
"due to relatively bad times."

And goes on to say:

15 "Under the French Treaty rates which were  
"mentioned before broad silks from treaty  
"countries, which includes France, Italy  
"and Japan now enter at 40% less 10%. In  
"regard to full fashioned silk hosiery, which  
20 "the new duty rates ensure the entire  
"Canadian market to Canadian producers, there  
"is more machinery in the country at present  
"than can be profitably employed."

25 That apparently was the opinion that the full fashion-  
ed hosiery duties was sufficient to ensure the  
entire Canadian market to Canadian producers? A.  
It was the opinion of the writer of that.

30 Did you have anything to do with full fashion-  
ed hosiery duties? A. No sir, nothing whatever.

EXHIBIT 704:

Letter dated October 1st, 1930  
from Hallam to P. R. Watson with  
attached copy of article for  
Daily News Record and American

in the middle that I want to refer your knowledge to

now:

"in consideration of these facts well known  
"and circles in the industry are of the opinion  
"that, while the new duty rates will enable  
"mills in Canada with idle weaving machinery  
"to start it up again, there will be little  
"any room for expansion for new machinery for  
"two or three years, this being partly due  
"to the amount of machinery that was installed  
"a year ago, and to a reduction in consumption  
"due to relatively bad times."

And goes on to say:

"Under the French Treaty rates which were  
"mentioned before broad silk from twenty  
"countries, which includes France, Italy  
"and Japan now enter at 40% less tax. In  
"regard to full fashioned silk hosiery, which  
"the new duty rates ensure the entire  
"Canadian market to Canadian producers, there  
"is more machinery in the country at present  
"than can be profitably employed."

That apparently was the opinion that the full fashioned  
ed hosiery duties was sufficient to ensure the  
entire Canadian market to Canadian producers?  
It was the opinion of the writer at least.

Q. Did you have anything to do with full fashioned  
ed hosiery duties? A. No sir, but I am however

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BY MR. KELLOCK: Q. Mr. Watson, in fabricating material do you, as a mill, wait until you get the order or have you at times made up material for which you do not have any firm order? A. Many times.

Q. And why would you do that? A. Trying to anticipate fashion or a demand for an article.

A great many times, having anticipated a demand for an article, you can get a very nice profit while it is scarce and other mills get on to it.

Q. Have you ever done that sort of thing from the standpoint of keeping your workmen employed?

A. Very many times.

Q. When? A. Oh, I would say practically every year.

Q. Every year sometimes for that purpose only?

A. During slack period - I mean the silk business or fabric business at various months of the year there are no firm orders to be had and you make for stock or you make what you think is going to sell to spread out your employment or keep your people employed.

Q. You have as a matter of policy done that from the standpoint of keeping your workmen employed?

A. Without any doubt.

Q. Now, my friend was asking you with regard to the matter that you gave evidence about, the complaint by the night shift some time ago with regard to new

BY MR. KILLICK: "Mr. Watson, in fabricating

material to you, as a mill, wait until you get the

order or have you at times made up material for

which you do not have any firm orders? Many

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it is scarce and other mills get on to it.

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Q. When? A. Oh, I would say practically

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or fabric business at various months of the year

there are no firm orders to be had and you make

for stock or you make what you think is going to sell

to spread out your employment or keep your people

employed.

Q. You have as a matter of policy done that from

the standpoint of keeping your workmen employed?

A. Without any doubt.

Q. Now, my friend was asking you with regard to

the matter that you gave evidence about, the complain

by the night shift some time ago with regard to how

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piece rate that was set and you told his lordship that that was a new quality and it follows from that or does it that when you start to produce a new quality then you must have a new rate? A. Quite.

5 Q. And is it something entirely new to get a complaint about the rate that you set in the first place, to get a complaint from the workmen? A. Well, I think Mr. Woodward stated that there is always a certain amount of complaining about rates.

10 Q. I am speaking about this situation: You get a new quality of material, you set the new rate for that because you have had no previous experience for that particular quality, and then you start to produce it, and you get a complaint from your workmen. Now, is that instance that you were speaking about in answer to my friend's question, was that the first instance of that kind? A. Not by any means.

20 Q. Now, is that one of the ways by which you arrive at a proper rate or do you say to the men; That is the rate we set and take it or leave it?

A. No, we try to arrive at a proper rate consistent with good manufacturing efficiency. And if that rate, due to lack of ability on the part of our technicians or our equipment will not do that, we are quite prepared to raise that rate and have raised rates on that basis.

30 Q. Now, there is another small matter that you said in speaking of that matter, speaking of the basis

please rate that was set and you told his lordship  
that that was a new quality and it follows from that  
or does it that when you start to produce a new  
quality then you must have a new rate? A. Yes.  
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a new quality of material, you set the new rate for  
that because you have had no previous experience  
for that particular quality, and then you start to  
produce it, and you get a complaint from your workmen.  
Now, is that instance that you are speaking about in  
answer to my friend's question, was that the first  
instance of that kind? A. Not by any means.  
Q. Now, is that one of the ways by which you  
arrive at a proper rate or do you say to the men;  
That is the rate we set and take it or leave it?  
A. No, we try to arrive at a proper rate consistent  
with good manufacturing efficiency. And if that  
rate, due to lack of ability on the part of our  
workmen or our equipment will not do that, we are  
quite prepared to raise that rate and have raised  
rates on that basis.  
Q. Now, there is another small matter that you  
said in speaking of that matter, speaking of the basis

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rate, which you said was the same for the day and night shift, that you tried to arrange 3.50 per loom as the basic rate. Now, just to avoid any misunderstanding, there would be more than one loom under the charge of one workman? A. Yes, it varies.

Q. So that 3.50 has no relation to what the workman earns in the week? A. Not at all.

Q. Then my friend was referring to the profits that you had been able to make over 11 or 12 years of Grout's Limited? and that you had paid certain dividends and you had established certain reserves for depreciation and had a surplus at the moment and my friend said to you in the way of a question that in doing that you had in fact paid back to your common shareholders their investment, you had paid the dividend on the preferred and you had enough money to recoup yourself for your outlay on your machinery. Now, that is only true, is it not, if you realise 100 cents on the dollar on your inventory? and your accounts receivable at the present time? A. That is right.

Q. Your experience has been good so far as accounts receivable is concerned? A. To date.

Q. Then my friend put in Exhibit 702, which was the file of the Silk Association of Canada, which had the heading on it, "Control of production, 1932 -1933," who wrote those words? "Control of production" on the file? A. I imagine a filing clerk in the office.

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rate, which you said was the same for the day and  
night shift, that you tried to average 8.50 per hour  
as the basic rate. Now, just to avoid any mis-

understanding, there would be more than one item under  
the charge of one workman? A. Yes, it varies.

Q. So that 8.50 has no relation to what the  
workman earns in the week? A. Not at all.

Q. Then my friend was referring to the profits  
that you had been able to make over 11 or 12 years  
of Grant's limited? and that you had paid certain  
dividends and you had established certain reserves  
for decoration and had a surplus at the moment  
and my friend said to you in the way of a question

that in doing that you had in fact paid back to your  
common shareholders their investment, you had paid the  
dividend on the preferred and you had enough money to  
reap yourself for your output on your machinery.

Now, that is only true, is it not, if you realize  
100 cents on the dollar on your inventory? and your  
accounts receivable at the present time? ... That  
is right.

Q. Your experience has been good so far as account  
... A. To date.

Q. Then my friend put in Exhibit 708, which was  
the file of the Milk Association of Canada, which had  
the heading on it, "Control of production, 1933-1935",  
who wrote those words? "Control of production" on the

... I imagine a filing clerk in the office



Q. And what control of production in the industry was there at any time? A. Never been any that I know of.

Q. You got information? A. They have tried but they have never got to anything.

Q. They have tried and you got information about what the mills in the industry were producing but did it ever proceed beyond that point at any time? A. That is quite right.

Q. Then my friend referred in connection with that to the meeting in Montreal on the 13th of January, 1933, - you told his lordship about that -- and nothing came of it. What was the situation facing the mills at that time that induced them to come together to discuss the matter of an attempt to control or limit production, do you remember?

A. Well, I imagine, knowing the mill people involved, that the situation would be one that they were producing more than they were selling and what little they were selling they were selling at less than the cost?

MR. McRUER: That is your imagination.

MR. KELLOCK: Q. I want to know if that is just imagination or is that the fact?

THE COMMISSIONER: You are talking of January, 1933?

MR. KELLOCK: Yes, my lord.

Q. Was there a situation facing the mills at

Q. And that control of production in the industry  
was there at any time? A. Never been any to it

I know of.  
Q. You got information? A. They have tried

but they have never got to anything.

Q. They have tried and you got information  
about what the mills in the industry were producing  
but did it ever proceed beyond that point at any time?

A. That is quite right.  
Q. When my friend referred in connection with

that to the meeting in Montreal on the 15th of January

1930, - you told his lordship about that -- and

nothing came of it. That was the situation facing

the mills at that time that induced them to come

together to discuss the matter of an attempt to

control or limit production, do you remember?

A. Well, I imagine, knowing the mill people involved,

that the situation would be one that they were

producing more than they were selling and what little

they were selling they were selling at less than

the cost?

Q. Yes, my lord.

A. Well, I want to know if that is just

imagination or is that the fact?

Q. Yes, my lord.

A. Yes, my lord.

Q. Yes, my lord.



that time that induced them to get together to canvass the situation? A. I would say yes, because there has been at least two situations of that kind since I have been in Canada.

5 Q. That is, situation where the mills were actually making more than they could sell and what is the result of that situation? A. Everybody goes out and struggles for what little business there is and quotes any kind of a price.

10 Q. And it may give some people a bargain that buy the stuff but can the mills operate on that basis for any length of time? A. I do not think anybody gets a bargain in pulling down as long as the price is fair to start off with.

15 Q. Now, my friend referred to Exhibit 616, which is your letter to Mr. Hallam of the 5th of March, 1934 - he only referred you to a part of it - and Mr. Hallam replied to you, which forms part of the exhibit, dealt with the fund which the International Silk Guild incorporated had to spend in the United States. Do you recall that situation? A. May I see it? (Hands letter to witness).

20 THE COMMISSIONER: What do you say - fund they had to spend in the United States?

MR. KELLOCK: Yes, your lordship recalls what Mr. Hallam said?

25 THE WITNESS: I notice there are three suggestions in it.

the situation? A. I would say yes, because



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Q. Well, that is, your letter of the 5th of March is written in response to a letter which you had received from Mr. Hallam, which I think is already in and deals with this matter of the International Silk Guild?

A. That is right.

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Q. Now, coming to the part that my friend examines you on to-day, because Mr. Hallam has told us about the other matters, where you speak about it being not too early to start to try to put out the propaganda for the collection of the funds, etc. - I want to ask you, Mr. Watson, have you any knowledge of any previous practice on the part of the Association for collecting campaign funds for political purposes?

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A. Common knowledge of a previous practice.

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Q. On the part of the Association, where the Association has as an association - I am not speaking what any individual might do - but the Association collected campaign funds for political purposes?

A. None whatever.

25

Q. This was a virgin suggestion of yours?

A. Well, there is another one on the bottom there yet.

MR. McRUER: Not an alternative surely.

THE WITNESS: There is still another suggestion on the bottom.

MR. KELLOCK: Q. You say,

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"I am not sure whether you would be just as well pleased if the Montreal Office would

Q. Well, that is, your letter of the 25th of

March is written in response to a letter which you had  
received from Mr. Nelson, which I think is already in  
and deals with the matter of the International 21st

Q. What is right?

A. Now, coming to the part that my friend mentions  
you on to-day, because Mr. Nelson has told me about the

other matters, where you speak about it being a

too early to start to try to put out the propaganda

for the collection of the funds, etc. - I want to ask

you, Mr. Watson, have you any knowledge of any previous

practice on the part of the Association for collecting

campaign funds for political purposes?

A. Knowledge of a previous practice.

Q. On the part of the Association, where the

Association has as an association - I am not speaking

what any individual will do - but the Association

collected campaign funds for political purposes?

A. None whatever.

Q. This was a virgin suggestion of yours?

A. Well, there is another one on the bottom there

Q. Now, what is the suggestion?

A. The suggestion is that the Association should

MR. NELSON: A. You say,

"I am not sure whether you would be just

as well (silence) (silence) (silence) (silence)



gradually take the Silk Association out of your office and I know you have been busy with the woollens but I am giving you my slant on it for what it is worth and forewarned is forearmed, as it were."

Did anything come of that suggestion? A. No, the Silk association still stayed with Mr. Hallam.

Q. I want to refer you to Exhibit 633, which my friend examined you about - that is another letter of yours to Mr. Hallam of the 17th of October, 1935, where you suggest this shadow hearing about the Tariff Board. You suggest that and you say:

"...there is no use telling your whole story when you will not get hurt one way or the other if you don't."

In other words, do I understand by that letter that what you had in mind in making the suggestion was that no matter what case was put before the Board and what the position was, there would be no action on it and you would not be hurt one way or the other?

A. That is right.

Q. Now, your suggestion of this shadow hearing was not carried out? A. Not whatever.

Q. This application was gone on with?

A. Quite.

Q. And was the best foot of the Silk Association put forward before the Tariff Board? A. I think so.

Q. And have you ever known a hearing on any matter

Gradually take the Milk Association out of your  
office and I know you have been busy with the  
collisions but I am giving you my silent on it  
for what it is worth and forwarded it forwarded,

as it were."

and anything some of that suggestion  
Milk Association still replied with Mr. Williams.

and I am giving you my silent on it

friend examined you about - that is another letter  
of yours to Mr. Williams of the 17th of October, 1925,

when you were in the Milk Association

will board. You suggest that and you say:

"...there is no use telling your whole story

when you will not get out one way or the other

if you don't."

in other words, so I understand by that letter that

that you had in mind in making the suggestion was

that no matter what came was put before the board

and you were willing to say, "I am willing to say

if you want to say that you are not

... That is right.

Now, your suggestion of this unknown hearing

was not carried out? A. Not whatever.

.. This application was gone on with?

.. Quite.

.. And was the best part of the Milk Association put

forward before the Tariff Board?

.. And was the Milk Association put



connected with the industry before the Tariff Board where that was not done and where all the facts were put before the Board? A. I have not.

5

Q. Now, Exhibit 632, which is your letter of the 13th of April, 1932, to Mr. Watson.

THE COMMISSIONER: The date I have is July 25th, 1932, for exhibit 632.

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MR. KELLOCK: I see the letter is Exhibit 628, my lord. Now, you make that statement in a letter of April 13th, 1932. What is the situation to-day? Is that the same situation or is it different? A. No, it is practically the same,

15

the silk goods come in an un-dyed state from Japan. There has been some increase I think in silk production in England, but not of any great consequence. I mean when they brought in the new duties, as I understand it, when they brought in the new duties they let the duties on undyed tissues practically the same as before and then instead of bringing them in the dyed and finished state they brought them in in the undyed state, and still the English mills did not get the business.

25

Q. <sup>So</sup> that the situation so far as the number of looms here and England and Scotland,---

A. I mean to a degree, there may have been a slight increase.

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Q. The situation is practically the same?

A. Yes, approximately the same.

connected with the industry before the tariff board  
where there was not done and where all the papers  
were put before the board?  
A. I have not.  
Now, Exhibit 50, which is your letter of  
the 18th of April, 1932, to M. J. Wilson.  
THE COMMISSIONER: The date I have is July 1932.  
1932, for exhibit 50.  
Now, you make that statement in a  
letter of April 18th, 1932. What is the situation  
to-day? Is that the same situation or is it  
A. No, it is practically the same.  
the silk goods come in an undyed state from Japan.  
There has been some increase I think in silk  
production in England, but not of any great consequence.  
I mean when they brought in the new duties, as I  
understand it, when they brought in the new duties  
they let the duties on undyed tissues practically  
the same as before and then instead of bringing them  
in the dyed and finished state they brought them in  
in the undyed state, and still the English mills  
did not get the business.  
... that the situation so far as the number  
of looms here and England and Scotland,---  
A. I mean to a degree, there may have been a slight  
increase.

The situation is practically the same?

Yes, approximately the same.



5 Q. Now, may I have Exhibit 703. That Exhibit consists of a number of letters, the first one being a letter of Mr. Hallam to you of the 12th of March, 1934 and your reply of the 14th of March. In the opening paragraph you say:

"As told you over the 'phone I feel that to tell the Customs Department that this sample of habutai twill is not made in Canada would be the same as telling them to allow 10

10 10 momme plain crepe de chene in under this scarf item.... "

Now, were fabrics of the same or similar commercial description as this habutai twill actually made in Canada apart from the piece you put in process on receipt of this letter? A. I think so. That is why I said it was of a ~~tes~~ class or kind made in Canada.

20 Q. That is what I mean.

THE COMMISSIONER: Just a minute. I want to make sure you are not confusing two things. The letter talks of crepe de chene scarf.

25 MR. KELLOCK: Well, it speaks of the two things. Here ---

THE COMMISSIONER: You are getting on somebody's particular case and somebody's interest here. As I understood, somebody had a parcel coming into Canada of a certain kind and description and the question arose as to the amount of duty payable,

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Q. Now, may I have Exhibit 703. That Exhibit consists of a number of letters, the first one being a letter of Mr. William to you of the 14th of March, 1934 and your reply of the 14th of March. In the opening paragraph you say:

"As told you over the phone I feel

that to tell the Customs Department that this sample of beautiful silk is not made in Canada would be the same as telling them to allow it because their crops are shown in under this

Now, were fabrics of the same or similar commercial description as this beautiful silk actually made in Canada apart from the piece you put in process on receipt of this letter? A. I think so. That is why I said it was of a 4-4 class or kind made in Canada.

Q. That is what I mean.

THE COMMISSIONER: Just a minute. I want to

make sure you are not confusing two things. The letter talks of crops do share apart. MR. KENLOCK: Well, it speaks of the two

things. Now ---

THE COMMISSIONER: You are getting on somebody's

particular case and somebody's interest here. I understand, somebody has a parcel coming into

Canada of a certain kind and somebody is

questioning these as to the amount of duty payable,



and that would depend on whether or not it was an article made in Canada.

MR. KELLOCK: Of a class or kind made in Canada?

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THE COMMISSIONER: Yes. Now, if it was an article of a class or kind made in Canada, the duty of course would be higher. Is it a fact that somebody was made to pay the high rate of duty?

MR. KELLOCK: We do not know that.

10

THE COMMISSIONER: We must find out. It may be that somebody here is entitled to a refund. I am not prejudging the case at all. I say it has that importance to some individual.

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MR. KELLOCK: Of course, my lord, underlying that, without prejudging it, is the assumption that this particular article was of a class and kind not made in Canada.

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THE COMMISSIONER: Yes, the evidence to support that was evidence made by Mr. Watson, for the special case and submitted by Mr. Hallam to the Department. Now, if that is the case, after finding the article came to Canada it was not made in Canada, you afterwards made for the purpose of making this man pay a higher rate of duty - who is the importer?

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MR. McRUER: The name is mentioned there - suspected that the Inquiry ---

THE WITNESS: That is only surmise.

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Q. What is the name? A. Mr. Katz. I think he is out of business now.

and that would depend on whether or not it was an article made in Canada.

MR. HELLER: Of a class or kind made in Canada?

THE COMMISSIONER: Yes. Now, if it was an article

of a class or kind made in Canada, the duty of course would be lighter. Is it a fact that somebody was

made to pay the high rate of duty?

MR. HELLER: We do not know that.

THE COMMISSIONER: We must find out. In any

case that somebody here is entitled to a refund.

I am not prejudging the case at all. I say it has

that importance to some individuals.

MR. HELLER: Of course, my lord, understanding the

without prejudging it, is the assumption that this

particular article was of a class and kind not made

in Canada.

THE COMMISSIONER: Yes, the evidence to support

that was evidence made by Mr. Watson, for the article

case and submitted by Mr. Heller to the Department.

Now, if that is the case, after finding the article

made in Canada it was not made in Canada, you afterwards

made for the purpose of making this man pay a lighter

rate of duty - who is the importer?

MR. HELLER: The name is mentioned there - suggested

that the inquiry ---

THE COMMISSIONER: That is only a suggestion.

MR. HELLER: What is the name? Mr. Heller. I think

is the name of the importer.



THE COMMISSIONER: Because if that sort of practice has been resorted to it is time we found it out.

5 MR. KELLOCK: That is exactly why I want to deal with it. I want to find out whether that is the whole story or not.

10 THE COMMISSIONER: Now, you are dealing with John Smith's rights and somebody else's rights. It is a question of money, it is not a question of getting a higher or lower tariff. It is a matter of justice now.

15 MR. KELLOCK: Q. Now, Mr. Watson, you say in this first letter of yours, "I feel that to tell the Customs Department that this sample of habutai twill is not made in Canada would be the same as telling them to allow 10 momme plain crepe de chene in under this scarf item..."

20 Now, You told his lordship that there were fabrics, apart altogether from this piece you made up to give Mr. Hallam a sample, fabrics of the same commercial description of this habutai twill actually made in Canada as a matter of course at the time this came along--- A. Can I tell you in my own words?

25 Q. You put it your own way? A. Well, at the time when we first came to Canada there was large importations into Canada of habutai, pongee and crepe de chene, all from Japan, three different types of fabrics or class of fabrics.

30 Q. Yes, I was going to stop you there -- you say

THE COMMISSIONER: Because it that sort of

MR. MILLER: That is exactly why I want to deal

with it. I want to find out whether that is the whole story or not.

THE COMMISSIONER: Now, you are dealing with John Smith's rights and somebody else's rights. It is a question of money, it is not a question of getting a higher or lower tariff. It is a matter of justice

MR. MILLER: Now, Mr. Miller, you say in the first letter of yours, "I feel that to tell the Commission that this sample of rebuttal tariff is not made in Canada would be the same as telling them to allow 10 women plain crepe de chene in under this

Now, you told his lordship that there were fabrics, apart altogether from this piece you made up to give Mr. Miller a sample, fabrics of the same, commercial description of this rebuttal tariff actually made in Canada as a matter of course at the time this came along-- A. Can I tell you in my own words?

A. You put it your own way? A. Well, at the time when we first came to Canada there was large importations into Canada of rebuttal, pongee and crepe de chene, all from Japan, three different types of fabrics or class of fabrics.



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Watson

those three are what?

A. Types or classes

of fabric.

Q. What are they?

A. Habutai, pongee, and crepe

de chene.

5

Q. Habutai twill mentioned here is that the same thing when you say crepe?

A. Practically, with

twill weave instead of plain weave.

10

Q. And you say that was when you first opened up business in Canada?

A. Yes.

Q. And those were three different types of goods?

A. Yes. Large consumption of that was in ladies' lingerie.

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Q. And of all three? A. Yes. When duties were increased against the three classes of goods, ladies' lingerie became made out of Canadian crepe de chene and Canadian satins.

20

Q. Instead of being made out of three it became

made out of one? A. That is quite right. Now,

my thoughts in the matter is this: That if Habutai is allowed to come in of a class or kind made in

Canada it will take the place of Canadian crepe de chene or Canadian satin for the manufacture of certain

25

articles.

Q. And are the two things - habutai and crepe de chene - capable of being used for exactly the same

purpose? A. Well, they have in various cycles

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of business been used for that purpose.

Q. And when you state that at the time that

this

those three are what? A. Types of classes

Q. Habutai will mentioned here is that the same

thing when you say crepe? A. Practically, with

twill weaves instead of plain weaves.

Q. And you say that was when you first opened

up business in Canada? A. Yes.

Q. And there were three different types of goods

A. Yes. Large consumption of that was in ladies'

lingerie.

Q. And of all three? A. Yes. When ladies

were increased against the three classes of goods,

ladies' lingerie became made out of Canadian crepe in

china and Canadian satins.

Q. Instead of being made out of three it became

made out of one? A. That is quite right. Now

my thoughts in the matter is this: That if Habutai

is allowed to come in of a class or kind made in

Canada it will take the place of Canadian crepe in

or Canadian satin for the manufacture of certain

articles.

Q. And are the two things - Habutai and crepe

china - capable of being used for exactly the same

of business been used for that purpose.



this inquiry was made goods of the same or similar commercial description of this habutai twill were actually being made in Canada, what were you referring to? A. Well, crepe de chene.

Q. And that stuff was being made and used for the same purpose? A. For scarves or lingerie or whatever --- I mean, it is an article that is made into various things.

THE COMMISSIONER: No matter how much one argues, to try to convince the authorities that is one thing, but that is not what was done.

MR. KELLOCK: I just want to go a little further, if I may.

Q. That, then, being the position, what you felt about it was that if the Customs Department said here - Habutai strictly speaking, this is made in Canada - not only would habutai come in but crepe de chene as well because you say that this sample of habutai twill, that to tell the Customs Department that this sample of habutai twill is not made in Canada would be the same as telling them to allow 10 moume plain crepe de chene in under this scarf item? A. That is right.

Q. Now, does that mean that the ruling about habutai would extend, as far as the Customs Department was concerned, to crepe de chene. In other words--

A. No, not necessarily.

Q. Now, what does it mean?

A. Well,

this industry was made goods of the same or similar  
commercial description of this material will were  
usually being made in Canada, what were you referring  
to?

A. Well, crepe de chene.  
Q. And that stuff was being made and used for the  
same purpose?  
A. For soles or linings  
or whatever --- I mean, it is an article that is  
made into various things.  
THE COMMISSIONER: No matter how much one knows  
to try to convince the authorities that is one thing,  
but that is not what was done.

MR. WILSON: I just want to go a little further,  
if I may.  
A. That, then, being the position, what you

are - Fabrics strictly speaking, this is made in  
Canada - not only would Fabrics come in but crepe de  
chene as well because you say that this sample of  
material will, that to tell the Customs Department  
that this sample of material will is not made in  
Canada would be the same as telling them to allow  
10 manne plain crepe de chene in under this scarf  
item?

A. That is right.  
Q. Now, does that mean that the ruling about  
was concerned, to crepe de chene. In other words--  
A. No, not necessarily.  
Q. Now, what does it mean?



if they allowed habutai in, the commercial use  
of habutai would displace the use of crepe de chene.

Q. In other words, if they allow habutai in,  
they might just as well allow crepe de chene in,  
which is made here? A. That is right.

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if they allowed habutai in, the commercial use  
of habutai would displace the use of crepe de chene.  
In other words, if they allow habutai in  
they might just as well allow crepe de chene in,  
which is made here.

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Q. Well then, is this correct, that in making up the piece that you made up to send to Mr. Hallam you were making up an article of a particular kind which was within the class that habitae comes within?

A. That is my interpretation.

Q. I see, alright. Now, my friend asked you about or, rather, referred you to a new exhibit, 704; that is a letter of October 1st, 1930 from Mr. Hallam to you enclosing an article from the Daily News Record, and you told his lordship that the statements made in that article were true insofar as they spoke about the condition of the industry in Canada; is that right?

A. Yes.

Q. And that was the thing that he was sending over to this American publication for publication there, and you have said it was not a considered policy of the association to send news items of that kind, but that you had suggested it from time to time; now, I want to ask you why you suggested it and at what times?

A. Well, I think I suggested it at the time of 1930 when there was definite overproduction in the industry. If I might give you an instance, the Windsor Silk Mills in Huntingdon, Quebec -- about the time the Windsor Silk Mills were established I was going out to Valleyfield one day from Montreal on the train.

Q. When was that?

A. Some year or year and a half ago and I was sitting in the seat reading the paper and somebody sat down alongside of me, and it happened to be Mr. Horowitz who was, at that time,

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Q. Well then, in this context, that in making  
up the piece that you made up to send to Mr. Hoffman  
you were making up an article of a particular kind  
which was within the class that habitually comes within  
A. That is my interpretation.

Q. I see, alright. Now, my friend asked you  
about or, rather, referred you to a new exhibit, 704;  
that is a letter of October 1st, 1920 from Mr. Hoffman  
to you enclosing an article from the Daily News  
Record, and you told his lordship that the statements  
made in that article were true insofar as they spoke  
about the condition of the industry in Canada; is  
that right? A. Yes.

Q. And that was the thing that he was sending  
over to this American publication for publication  
there, and you have said it was not a considered  
policy of the association to send news items of that  
kind, but that you had suggested it from time to time  
now, I want to ask you why you suggested it and at  
what times?

A. Well, I think I suggested  
it at the time of 1920 when there was definite  
overproduction in the industry. If I might give you  
an instance, the Windsor Silk Mills in Huntington,  
Quebec -- about the time the Windsor Silk Mills were  
established I was going out to Valleyfield one day  
from Montreal on the train.

Q. When was that? A. Some year or year  
and a half ago and I was sitting in the seat reading  
the paper and somebody sat down alongside of me, and  
it happened to be Mr. Horowitz and he was at that time



interested in establishing the Windsor Silk Mills.

I made a mental note I would not talk business unless he wanted to. We didn't get very far until he said "you know we are establishing a plant in Huntingdon"?

5 "Yes", I said. I had heard from the Valleyfield manager that was so. He said "what do you think of it"?

I said "I think you are crazy at this time to be establishing a plant". He said "why, we only want a small business". I said, "what do you call a small business"

10 and he said "100 looms". "Well", I said, "here is my yardstick for it. In the United States they have a population of 125 million and in Canada they have a population of 10 million. If they established a business of the same size in the United States as the one you are establishing in Huntingdon it would have 1000 looms"--

15 Q. Proportionately the same size? A. Yes, and I know of only one plant in the United States that has 1000 looms under one roof. Despite that he went ahead and established the plant in conjunction with some people from New York. The last I heard the people from New York picked up bag and baggage and left the machinery there and what liabilities there were in Horowitz' hands, and he has had a re-organization and has started to try to operate again. Now, that is one case. You can call it propaganda if you wish that I put out for Mr. Horowitz not to establish the plant. It did not do any good. He came in and established the plant, and as far as I am concerned has made one re-organization already.

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interested in establishing the Windsor Mill.  
 I made a mental note I would not talk business unless  
 he wanted to. We didn't get very far until he said  
 "you know we are establishing a plant in Huntington?"  
 "Yes", I said. I had heard from the Valleyfield  
 manager that was so. He said "what do you think of  
 I said "I think you are crazy at this time to be estab-  
 lishing a plant". He said "why, we only want a small  
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 population of 10 million. If they established a busi-  
 ness of the same size in the United States as the one  
 you are establishing in Huntington it would have 1000  
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 machinery there and what facilities there were in  
 Horowitz' hands, and he has had a re-organization and  
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 case. You can call it propaganda if you wish that I  
 put out for Mr. Horowitz not to establish the plant.  
 It did not do any good. He came in and established  
 the plant, and as far as I am concerned has made one  
 re-organization already.

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MR. McRUER: Maybe he didn't have a good manager?

A. Thank you.

BY MR. KILLOCK: Q. Whether you call it prop-  
aganda or dissemination of news or whatever it is,  
5 in anything that you have had go in any publication  
has there been any misrepresentation as to what the  
situation here was? A. I don't think so.

Q. Alright; in connection with the reserve that  
you built up over the years in connection with your  
10 company, as a result of having that were you able to  
run and put into stock merchandise for which you did  
not have orders on hand, and as you told his lordship  
even provide employment? A. Many times; probably

15 if we had gone to the bank for a loan they would not  
have given it to us in the state of the business.

Q. What is that? A. Probably if we had  
gone to the bank for a loan they would not have given  
it to us in the state of the business.

Q. In other words, having that you did not need  
20 to go to the bank? A. Yes.

Q. You were able to carry on and employ your  
hands? A. That is right.

Q. Now, his lordship asked a question, I think,  
25 when Mr. Woodward was in the box, and it was undertaken  
that you would deal with it, and that is as to what is  
the explanation for the increased profits in the year  
1931 of Grout's Limited over the profits of 1930,  
and that situation was dealt with in exhibit 692 --

30 THE COMMISSIONER: And the profits of the sub-  
sequent years.

MR. McNEIL: Maybe he didn't have a good manager

Q. That is all.

BY MR. McNEIL: Another you call it prop-

aganda or dissemination of news or whatever it is,  
in saying that you have had no in any publication  
has there been any relationship as to what the  
situation here was? A. I don't think so.

Q. All right; in connection with the reserve the

you built up over the years in connection with your  
company, as a result of having what were you able to  
run and put into stock merchandise for which you did  
not have orders on hand, and as you told his lordship  
even provide employment? A. Many times; probably

if we had gone to the bank for a loan they would not  
have given it to us in the state of the business.

Q. What is that? A. Probably if we had

gone to the bank for a loan they would not have given  
it to us in the state of the business.

Q. In other words, having that you did not want

to go to the bank? A. Yes.

Q. You were able to carry on and employ your

Q. Now, his lordship asked a question, I think

that you would deal with it, and that is as to what is  
the explanation for the increased profits in the year

1931 of profit's limited over the profits of 1930,

and that situation was dealt with in exhibit 692 --

THE COMMISSIONER: And the profits of the an-

Q. That is all.

Q. That is all.

Q. That is all.



BY MR. KELLOCK: Q. And the profits of the subsequent years; now, what ~~would~~ do you say about that?

A. May I start away back at 1926 and give you the chronology of the industry as I see it?

5 BY THE COMMISSIONER: Q. Of course, it is just a matter of curiosity. A. I think it will help you to understand my explanation if you will let me, sir.

10 Q. Go on? A. We established in 1924. It takes, as I have given in previous testimony, a considerable time in my opinion to get a plant operating efficiently and doing a good job so that in 1926 we showed a profit of 9.7. We came into a market that had one other operating unit at that time, a fairly good size market. There were two of us starting up at the same time and we happened to get started a little quicker than the other person, so in 1926 there were approximately, as far as my memory serves me at the moment, three of us operating.

15 20 Q. In Canada? A. Yes.

BY MR. McRUER: Q. Marx? A. No, Bruck was the original, the first one, and Louis Roessel & Company and ourselves were starting up about the same time, and we got into production just a little faster than Louis Roessel & Company, so we were into a market of quite good size compared to the number of mills. We were able to pick off the top, or cream of the market as I call it. That is all high style value goods, and goes very rapidly and the cutter up or retailer or whoever may be interested is prepared to pay

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BY MR. KENNEDY: Q. And the profits of the sub-  
sidiary, now, what would you say about that?  
A. May I start away back at 1926 and give you the  
chronology of the industry as I see it?  
BY THE COMMISSIONER: Q. Of course, it is just  
a matter of chronology. I think it will help  
you to understand my explanation if you will let me,  
sir.

Q. Go on?  
A. We established  
in 1924. It takes, as I have given in previous  
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a plant operating efficiently and doing a good job  
so that in 1926 we showed a profit of 9.7%. We came  
into a market that had one other operating unit at  
that time, a fairly good size market. There were  
two of us starting up at the same time and we happened  
to get started a little quicker than the other person  
so in 1926 there were approximately, as far as my  
memory serves me at the moment, three of us operating.  
Q. In Canada?  
A. Yes.

BY MR. KENNEDY: Q. Now, Sir, back was  
the original, the first one, and Louis Rose and  
Company and ourselves were starting up about the same  
time, and we were in the industry for a little longer  
time (with respect to Company) as we were with a unit  
of quite good size compared to the number of mills.  
We were able to pick off the top, or cream of the  
market as I call it. That is all high style value  
goods, and goes very rapidly and the order up or  
down or whoever may be interested is prepared to

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a better average price. Because we had limited production amongst these original mills we were all able to eat off that top of the market and make a very good profit. Now, the success of these mills brought in other mills, and as these other mills established the market became more and more saturated with production against that top of the market, as I call it. At that time the tariff rates were, in my opinion, too low. There were large importations from Japan, there were importation from other countries, and gradually there was more being produced than the market could assimilate on that type of goods which I think is borne out by the fact that our profit went from 12.2 to 15.1 and then back to 11.5. Now, at the time, 1930, the time of the election -- I am not trying to put politics in this at all, this recital, but I must mention the change of government; we had curtailed operations in our plant something close to 15% because of this overproduction in the market, which shows up directly in our profit for 1930. Mr. Bennett came into power, increased the duties against Japan and put the then existing Canadian mills in touch with some six or eight million dollars worth of business. For the time being we ourselves started up our 15% production and worked overtime, and catered to this much more market, and got a bigger volume of business which reduced our expenses, of course, and our profit for 1931 shows up very much better.

BY THE COMMISSIONER: Q. 10.7? A. Now, that may not have been the whole story, that may have been only part of the story.

a better average price. Because we had limited production amongst these original mills we were all able to eat off that top of the market and make a very good profit. Now, the success of these mills brought in other mills, and as these other mills established the market became more and more saturated with production against that top of the market, as I call it. At the time the tariff rates were, in my opinion, too low. There were large importations from Japan, there were imports from other countries, and gradually there was more being produced than the market could assimilate on that type of goods which I think is borne out by the fact that profit went from 12.5 to 15.1 and then back to 11.5. Now, at the time, 1930, the time of the election -- I am not trying to put politics in this at all, this reaction, but I must mention the change of government; we had continued operations in our plant something close to 15% because of this overproduction in the market, which shows up directly in our profit for 1930. Mr. Bennett came into power, increased the duties against Japan and put the then existing Canadian mills in touch with some six or eight million dollars worth of business. For the time being we ourselves started up our 15% production and worked overtime, and entered to this much more market and got a bigger volume of business which reduced our expenses, of course, and our profit for 1931 shows up very much better.

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Q. What about 1932?

A. We show a fall again.

That is right. In any profit schedule, sir, there comes in the question of buying policy of the manufacturer. I might have hit the raw silk market right the same as I did in 1924, the year of our inception. I mean, that has a bearing on it. Another thing bearing on it is that from time to time we have both technical and mechanical troubles. Sometimes we go along for six months and have no difficulties. Our looms run at a high rate of efficiency. We turn out a very good volume of merchandise and our costs are lower for that six months, and that year than they are for some other year. Frankly, the last two or three years when we have been changing from silk to artificial silk technically it has been a terrible job. Our looms have not run at the <sup>highest</sup> efficiency and on top of that the apparent success of increasing the number of looms have brought in more people until as I have said already

BY MR. KELLOCK: Q. What do you mean by more people?

A. More looms until I have said -- I think I have said already in testimony given that I figured there was overproduction and that it has been overproduction for some year or so.

Q. Did you increase your plant capacity in 1930

or 1931? A. I will have to look it up;

I cannot tell you offhand. When we acquired the Valleyfield Silk Mills we increased our plant capacity almost 100%.

Q. I mean here in St. Catharines?

BY THE COMMISSIONER: Q. Just a minute, when was the

Q. What about 1934?  
A. We show a full year.  
That is right. In any profit schedule, sir, there  
comes in the question of buying policy of the manu-  
facturer. I might have hit the raw silk market  
right the same as I did in 1934, the year of our  
depression. I mean, that has a bearing on it. Another  
thing bearing on it is that from time to time we have  
both technical and mechanical troubles. Sometimes we  
go along for six months and have no difficulties. Our  
looms run at a high rate of efficiency. We turn out  
a very good volume of merchandise and our costs are  
lower for that six months, and that year than they are  
for some other year. Truly, the last two or three  
years when we have been changing from silk to artificial  
silk technology it has been a terrible job. Our  
looms have not run at the efficiency and on top of that  
the constant process of increasing the number of looms  
have brought in more people until as I have said already  
BY MR. WILCOCK: Q. What do you mean by more people?  
A. More looms until I have said -- I think I have said  
already in testimony given that I figured there was  
overproduction and that it has been overproduction  
some year or so.  
Q. Did you increase your plant capacity in 1930  
or 1931?  
A. I will have to look it up.  
I cannot tell you offhand. When we acquired the  
Valleyfield silk mill we increased our plant capacity  
almost 100%.  
Q. I mean here in St. Catherine?  
BY THE COMMISSIONER: A. Just a minute, when we

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Valleyfield plant acquired? A. 1933, I think, sir.

Q. Your worst year was 1932 and your best year was 1928? A. That is right. 1932, I think you will find, was the start of the introduction of artificial silk. We have been working at it quite some time. It seems a long long time, anyhow, sir. In language of my own that is the best way I can explain it.

Q. That is alright as far as I am concerned.

MR. KELLOCK: That is all, thank you.

BY MR. McFAR: Q. Just a question or two; since 1930 have you not increased your production? A. Undoubtedly.

Q. So that if there was overproduction in 1930, then these new mills came in and these mills have been increasing their production all along the line?

A. That is right, but they were put in touch with some six or eight million dollars business in the budget of 1930.

Q. You claim there is now overproduction?

A. I claimed that away back in Montreal.

Q. So that the internal competition is as bad as the external? A. Yes, I also said that to load goods in on top of it didn't do any good.

Q. We are discussing what is a healthy economic condition for the country, and to build up a tariff wall has not relieved the situation in regard to the mills? A. There again we are getting into an academic argument.

BY THE COMMISSIONER: Q. No, no, it is practical.

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They said they had seen him and they were sure.

You will find, was the start of the introduction for

In language of my own that is the best way I can ex-

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...that I am not as concerned.

BY MR. MONTGOMERY: I have a question or two; now to hold-up a few.

•yI bə t d u o b

Q. So that if there was overproduction in 1950,

then these new mills came in and these mills have been

increase their production all along the line

A. That is right, but they were put in touch with each

six or eight million dollars business in the budget

1930.

Q. You claim there is now overpopulation?

4. I claimed that away back in Montreal,

W. So that the interest competition is as bad as

the external? A. Yes, I also said that to

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we are discussing what a healthy economic

competition for the country, and to build up a tariff

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BY THE COMMISSIONER: R. H. B. No. 11 is historical.



Mr. McRuer says in the last few years there has been overproduction of silk; is that right? A. In the years 1926, 1927 and 1928, and 1929, sir, we did not have anywhere near the protection we had after 1930 and that led to overproduction just the same.

Q. You did pretty well in those years.

BY MR. McRUER: Q. It led to very remarkable profits? A. And it led to overproduction.

Q. As long as there are remarkable profits there would be overproduction? A. And the increase of tariff rates in 1930 led to a nice profit in 1931.

Q. And it lasted about a year and then in came the mills from all over the place and said "we will have some of this"? A. That is right. I don't

know the remedy for this, except the remedy of law and order -- or the jungle, I mean, as they call it.

Q. It is when the government interferes in business? A. Under low protection or high protection you will get overproduction in one phase or another.

Q. Well, the consumer has to have some protection? A. Well, if by the putting on of protective duties in 1930, that you think are exorbitant, it increased production, our profit went from 10.7 in 1931 to 4.9 in 1935 so I don't see that the putting on of these duties hurt the consumer very much.

Q. Well, that is a question to take up. Just one question about this manufacturing of habitae. We have had it in this inquiry that habitae is not made in

Mr. McNair says in the last few years there has been overproduction of silk; is that right? A. In the years 1925, 1927 and 1928, and 1929, sir, we did not have anywhere near the production we had after 1930 and that led to overproduction just the same.

A. You did pretty well in those years.

BY Mr. McNair: A. It led to very remarkable profits? A. And it led to overproduction.

A. As long as there are remarkable profits there would be overproduction? A. And the increase of tariff rates in 1930 led to a nice profit in 1931.

A. And it lasted about a year and then it came the mills from all over the place and said "we will have some of this"? A. That is right. I don't know the remedy for this, except the remedy of law and order -- or the jungle, I mean, as they call it.

A. It is when the government interferes in business? A. Under low protection or high protection you will get overproduction in one phase or another.

A. Well, the consumer has to have some protection A. Well, if by the putting on of protective duties in 1930, that you think are exorbitant, it increased production, our profit went from 10.7 in 1931 to 4.9 in 1932 so I don't see that the putting on of these duties hurt the consumer very much.

A. Well, that is a question to take up. Just question about this manufacturing of haberdashery. We have had it in this industry that haberdashery is not made in



Canada; we have had it several times. You will agree with that, won't you? A. Not made commercially in Canada.

5 Q. Not made commercially in Canada; well, you manufactured a sample? A. That shows how easy it is to do it.

10 Q. Alright; Mr. Hallam had circularized all the other mills, apparently, the large mills here, anyway, to find out if they made it? A. As a matter of fact, Mr. McRuer --

THE COMMISSIONER: Answer the question.

THE WITNESS: According to that letter he did.

15 BY MR. McRUER: Q. He told you he had circularized them? A. In that letter.

Q. In this letter; you were not making it at the time and then apparently you made up a piece for no other purpose than to deceive the government?

A. And to show how easily it could be made.

20 Q. To show how easily it could be made -- you made up the piece for no other purpose than to deceive the government? A. I would not put it that way.

Q. What other purpose? A. To show how easily it was made.

25 Q. You did not tell them you had just made it for that purpose? A. Quite.

Q. You intended them to believe it was being made in Canada? A. That piece was made in Canada.

30 Q. You intended them to believe that it was being made in Canada in commercial quantities?

Canada; we have had it several times. You will agree with that, won't you? A. Not made commercially in Canada.

Q. Not made commercially in Canada; well, you mentioned a sample? A. That shows how easy it is to do it.

Q. Alright; Mr. Nelson had distributed all the other mills, apparently, the large mills here, anyway, to find out if they made it? A. As a

matter of fact, Mr. Nelson --

THE COMMISSIONER: Answer the question.

THE WITNESS: According to that letter he did.

BY MR. NELSON: He told you he had distributed

it to the mills?

THE WITNESS: Yes, he told me that.

THE COMMISSIONER: Now, you say that he

other purpose than to deceive the government?

A. And to show how easily it could be made.

Q. To show how easily it could be made -- you

made up the piece for no other purpose than to deceive

the government? A. I would not put it that way.

Q. What other purpose? A. To show how

easily it was made.

Q. You did not tell them you had just made it

for that purpose? A. Quite.

Q. You intended them to believe it was being

made in Canada? A. That piece was made in

Canada.

Q. You intended them to believe that it was

being made in Canada in commercial quantities?



A. No -- yes, if you wish to put it that way.

Q. Alright, that is a simple story. Well now, do you deal as frankly with the government always as that and expect to enjoy the favours of protection and then cheat the government that gives it to you?

A. The government usually finds out what the story is.

Q. It is a question of what they are entitled to expect from a man who occupies the chairmanship of the Tariff Committee of the Silk Association of the Dominion of Canada in frank fair dealing in representations that are put before them and you deliberately set out to cheat them, and to cheat the man who wanted to import?

A. I am quite prepared to ~~allow~~ let any government official judge my actions towards them.

Q. When he can find out the truth? A. Quite.

Q. How did you expect he was going to check back and find out the truth on that? A. They have

ways.

Q. You were hoping he would not check back?

A. Put it that way if you wish to.

Q. Alright.

BY MR. KELLOCK: Q. Mr. Watson, when my friend said to you Mr. Hallam had circularized the mills you started to say something, you started to say "as a matter of fact"-- do you want to say anything more?

A. Well, as a matter of fact, we have quite a nice little business in what we call knick-knacks that nobody else in Canada think are worth making; that is what I wanted to say, that the business is built up to some extent by looking for these little

A. No -- yes, if you wish to put it that way.

Q. All right, that is a simple story. Well now,

do you feel as frankly with the government always

as that and expect to enjoy the favour of protection

and then cheat the government that gives it to you?

A. The government usually finds out what the story is

Q. It is a question of what they are entitled to

expect from a man who occupies the chairmanship of

the Tariff Committee of the Silk Association of the

Dominion of Canada in frank fair dealing in respect

to those that are not before them and you deliberate

set out to cheat them, and to cheat the men who want

to import? A. I am quite prepared to answer

Q. Now he can find out the truth? A. Quite.

Q. How do you expect he was going to check back

and find out the truth on that? A. They have

Q. You were hoping he would not check back?

A. Not in that way if you wish to.

Q. All right.

BY MR. KALLOCK: Q. Mr. Watson, when my friend

said to you Mr. Hallam had circumscribed the mills

you started to say something, you started to say

"as a matter of fact" -- do you want to say anything

more? A. Well, as a matter of fact, we have

quite a nice little business in what we call knock-

knocks that nobody else in Canada think are worth

making; that is what I wanted to say, that the price

is built up to some extent by looking for these little

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small jobs that people say are not made in Canada, are not of a class or kind made in Canada. As a matter of fact, it is the only end of our business at the moment that is profitable.

5 Q. You mean you are prepared to make that stuff if there is a demand for it here? A. Yes, we are prepared to make anything that there is a demand for as long as there is adequate protection and we can compete from the price angle.

10 BY MR. McRUER: Q. Habita has been imported in thousands of yards for years? A. I don't think there has been much lately.

15 Q. By the way, there is one question I did not ask. What is your attitude towards dealing collectively with the employees? A. I answered you in Montreal.

Q. Were you asked that in Montreal? A. Yes.

Q. I was not sure whether you were on record?

20 A. I told you I was not in the habit of making up my mind on contentious questions until I had to, but I believe the recital I gave you of collectively meeting the night shift and discussing the situation answers it to some extent, doesn't it?

25 Q. I don't think that answers it very far. What is your attitude towards representatives of labour unions, towards organized labour in your mill?

A. I go back to my answer in Montreal. I am not in the habit of making up my mind on contentious questions until I have to.

30 Q. You haven't even a suggestion to make on this?

Q. I was not sure whether you were or weren't.

A. Yes.

.. You haven't even a suggestion to make on that



A. No.

Q. You seem prolific in making suggestions that are not adopted but you cannot make a suggestion even on that? A. I would rather not.

5

Q. Alright.

THE COMMISSIONER: Then, we are through?

MR. McRUER: Yes.

THE COMMISSIONER: Adjourned to Paris to-morrow morning at 10.30 then.

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-- The Commission adjourned at 5.10 p.m., Wednesday, October 14, 1936 to resume at 10.30 a.m., Thursday October 15, 1936 in Paris, Ontario.

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Q. You seem profited in making suggestions that  
are not adopted but you cannot make a suggestion even  
on that? A. I would rather not.

Q. All right.

Q. The Commission: When, we are through?

morning at 10.30 then.

-- The Commission adjourned at 5.10 p.m., Wednesday,  
October 14, 1986 to resume at 10.30 a.m., Thursday,  
October 15, 1986 in Paris, Ontario.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

SIXTY - NINTH DAY

(October 15, 1936)

Robert Brydie,  
Official Reporter.

1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 26

HON. MR. JUSTICE W. E. B. ROBERTS

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

A.S. Whiteley, Secretary.

A p p e a r a n c e s:J.C. McRuer, K.C. and )  
E. Beauregard, K.C. ) Commission Counsel,J.P. Lanctot, K.C. ) For Special Committee  
and ) on Primary Textile  
R.L. Kellock, K.C. ) Industries,C.G. Heward, K.C. )  
Aime Geoffrion, K.C. ) For Dominion Textile  
and ) Company.  
C.T. Bellantyne, )

S.G. Dixon, K.C. For Courtaulds, Limited.

L.A. Forsyth, K.C. For Canadian Celanese Ltd.  
and Canadian Silk Products  
Limited.

THE CANADIAN SIK PROPOSAL

HON. MR. JUSTICE A.E.A. TUNNEY,

Commissioner.

Mr. Justice Tunney,

WITNESSES:

J.C. McKee, R.C. and )  
R. Beardsley, R.C. )  
Commission Counsel,

T.P. Leavitt, R.C. )  
and )  
R.L. Leavitt, R.C. )  
The Medical Committee  
on Primary Health  
Education,

R.C. Leavitt, R.C. )  
Aime Goulet, R.C. )  
and )  
C.T. Doherty, R.C. )  
The Canadian Silk  
Company,

R.C. Dixon, R.C. )  
The Canadian Silk  
Company, Limited,

R.C. Hensley, R.C. )  
The Canadian Silk  
Company and Canadian  
Silk Producers  
Limited.

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Paris, Ontario,  
October 15, 1936.

-- The Commission resumed at 10.45 A.M.

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THE COMMISSIONER: All right, Mr. McRuer.

MR. McRUER: I will call Mr. Robinson.

CHARLES B. ROBINSON, Sworn,

EXAMINED BY MR. McRUER:

10

Q. Mr. Robinson, you are an Officer of Penmans  
Limited? A. Yes, sir.

Q. What office do you hold? A. Secretary-  
Treasurer.

15

Q. How long have you been Secretary-Treasurer  
of the Company? A. Since the 1st of January, 1911.

Q. Yes, Who was Secretary-Treasurer prior to that?  
A. Mr. O.R. Whitby.

Q. Is Mr. Whitby still living? A. No, sir.

20

Q. Now, the Directors and officers of the Company,  
according to your 1935 Financial Statement, appear  
to be as follows:

"Sir Charles Gordon, President;

R.B. Morrice Vice-president; A.F. Baillie,

25

H.F. MacDougall, J.N. Laing, J.P. Black, and

G.W. Grier, Directors, and H.W. Lundy, General

Manager."

A. Yes, sir.

30

Q. Sir Charles Gordon and Mr. Morrice, of course,  
live in Montreal? A. Yes, sir.

Paris, Ontario,  
October 16, 1936.

-- The Commission resumed at 10.45 A.M.

Q. Now, I will call Mr. Robinson.

EXAMINED BY MR. ROBINSON:

Q. Mr. Robinson, you are an Officer of the

Company, is that right?

Q. What office do you hold?

A. Secretary.

Q. How long have you been Secretary-Treasurer

of the Company? A. Since the 1st of January, 1911.

Q. Yes, who was Secretary-Treasurer prior to the

A. Mr. C.R. Whitty.

Q. Is Mr. Whitty still living?

A. Yes, the Director and Officer of the Company.

to be as follows:

THE DIRECTORS, (names)

1. Mr. William (name), (name), (name),

2. Mr. MacDougall, 3. Mr. (name), 4. Mr. Black, and

5. Mr. (name), (name), and 6. Mr. (name), (name).

Manager.

A. Yes, sir.

Q. Sir Charles Gordon and Mr. (name), of course

live in Montreal? A. Yes, sir.



Q. Where does Mr. Baillie live? A. Montreal;  
they are all domiciled in Montreal.

Q. All these directors are Montreal men? A. Yes.

Q. And the Company, at the present time, appears  
to have a share capital consisting of 15,000 preferred  
shares of \$100 each, making \$1,500,000 in preferred  
stock, - and 75,000 common shares of no par value;  
that is the authorized capital? A. Yes.

Q. The issued capital appears to be, 10,750 preferred  
shares of \$100 each, making \$1,075,000 issued, and  
64,518 common shares of no par value.

THE COMMISSIONER: 64,500?

MR. McRUER: 64,518, my lord, which are entered in  
the balance sheet at \$2,150,600. There is a first  
mortgage bond issue, bearing interest at 5½% per cent,  
of \$2,000,000, less redeemed and cancelled, \$223,500.  
Or a net amount outstanding of \$1,776,500. That is  
the set up at the present time? A. Correct.

Q. Now, the present company appears to have been  
incorporated in 1906? A. Yes.

Q. Have you got the original incorporation of the  
Company? A. No, but it will be here in a minute.  
Oh, it is here.

Q. I just want to get the capital structure  
originally? A. Originally?

Q. The original capital structure, yes, in 1906?  
A. Oh, that is Penman's Manufacturing Company.

Q. No, the original capital structure of Penman's

they are all domiciled in Montreal.

Q. All these directors are Montreal men? A. Yes.

Q. And the Company, at the present time, appears

to have a share capital consisting of 15,000 preferred

shares of \$100 each, making \$1,500,000 in preferred

stock, -- and 75,000 common shares of no par value;

that is the authorized capital? A. Yes.

Q. The issued capital appears to be, 13,750 preferred

shares of \$100 each, making \$1,375,000 issued, and

64,513 common shares of no par value.

THE COMMON SHARE: 64,513

MR. ROBINSON: 64,513, my lord, which are entered in

the balance sheet at \$2,150,000. There is a first

mortgage bond issue, bearing interest at 5 1/2 per cent,

at \$2,000,000, has redeemed and cancelled, \$225,000.

Or a net amount outstanding of \$1,775,000. That is

the net up at the present time? A. Correct.

Q. Now, the present company appears to have been

incorporated in 1905? A. Yes.

Q. Have you got the original incorporation of the

Company? A. No, but it will be here in a minute.

Q. I just want to get the capital structure

original? A. Originally?

Q. The original capital structure, yes, in 1905?

A. Oh, that is Penman's Manufacturing Company.

Q. No, the original capital structure of Penman's



Limited. There was one slight change in the capital structure, in 1927, or along there.

MR. HOWSON: 1926.

5 BY MR. McRUER: In 1926. We will get it from your first balance sheet. Looking at the balance sheet of the 31st December, 1907, Mr. Robinson, the issued capital at that time appeared to be preferred \$1,075,000; that is the same as it is to-day? A. Correct.

10 Q. Yes. There has been no change in the preferred stock since the original incorporation. The \$1,075,000 preferred stock was not the original issue? A. No.

Q. The original issue was \$1,000,000 preferred?  
15 A. 10,000 shares of \$100 each - \$1,000,000.

Q. Preferred? A. Yes.

Q. And the \$75,000? A. Was issued later.

Q. Was issued later for the acquisition of ?

A. Of the Anchor Knitting Company, Limited, of Almonte.

20 THE COMMISSIONER: That is the common stock?

MR. McRUER: No, that is the preferred stock, my lord.

BY MR. McRUER: Q. The \$1,000,000 was issued for the acquisition of the Penman's Plant, was it?

25 A. Yes, sir.

Q. And the \$75,000 was issued for the acquisition of the Almonte plant? A. Yes. Then there was -issued, apparently, \$2,150,600 in common stock?

30 A. Yes.

Q. That was par value of \$100 each, was it?

8313

Robinson

There was one slight change in the capital

in 1907, it was

MR. MORRISON: 1908.

BY MR. MORRISON: In 1908, we will get it from

your first balance sheet, looking at the balance sheet

of the 31st December, 1907, Mr. Robinson, the issued

capital at that time appeared to be preferred \$1,000,000

that is the same as it is to-day?

A. Yes. There has been no change in the preferred

stock since the original incorporation. The \$1,000,000

preferred stock was not the original issue? A. No.

Q. The original issue was \$1,000,000 preferred?

A. 10,000 shares of \$100 each - \$1,000,000.

Q. Preferred? A. Yes.

Q. And the \$75,000? A. Was issued later.

Q. Was issued later for the acquisition of?

A. Of the Anchor Knitting Company, Limited, of Alameda.

THE COMMISSIONER: That is the common stock?

A. Yes, sir.

BY MR. MORRISON: A. The \$1,000,000 was issued for

the acquisition of the Anchor Knitting Plant, was it?

A. Yes, sir.

Q. And the \$75,000 was issued for the acquisition

of the Anchor Knitting Plant? A. Yes. Then there

A. Yes.



A. Yes.

Q. That was issued for what?

A. 20,000 shares

or \$2,000,000, for the acquisition of the old company.

Q. What was the common stock issued for?

A. 20,000 shares for the acquisition of Penman's Manufacturing Company, and 1500 shares went to the purchase of the Anchor Knitting Company, Limited, at Almonte. So you have preferred and common issued for the purchase of the Anchor Knitting Company, Limited, of Almonte.

Q. So that \$2,000,000 of the common stock went for the acquisition of the Penman Company with \$1,000,000 of preferred? A. Right.

Q. And \$75,000 preferred and \$150,000 common went for the acquisition of the Almonte plant? A. That is right.

Q. Then the common stock was changed, in 1926, to stock of no par value? A. Yes. Supplementary Letters Patent changing the capital to 15,000 shares of preferred at \$100 and \$75,000 shares of nominal or no-par value.

A. Yes.

Q. That was issued for what? A. 20,000 shares.

Q. What was the common stock issued for?

A. 20,000 shares for the acquisition of the

Manufacturing Company, and 1500 shares went to the

purchase of the Anchor Knitting Company, Limited.

Q. So you have preferred and common issued

for the purchase of the Anchor Knitting Company,

Limited, of Almonte.

Q. So that \$2,000,000 of the common stock went for

the acquisition of the Penman Company with \$1,000,000

of preferred? A. Right.

Q. And \$75,000 preferred and \$150,000 common went

for the acquisition of the Almonte plant? A. That is

Q. Then the common stock was changed, in 1926,

to stock of no par value? A. Yes. Supplemental

Letters Patent changing the capital to 15,000 shares

of preferred at \$100 and \$75,000 shares of nominal

or no-par value.

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Q. And three shares of the new stock were issued for every one share of the old stock? A. Three for one, yes.

5 Q. And, of course, the \$600 in odd common stock would be the directors' qualifying shares?

A. Provisional directors, that is right.

10 Q. Now then, I want to go back to the company that preceded the present company, that is the Penman Manufacturing Company, Limited? A. The Penman Manufacturing Company, Limited, yes.

15 Q. The Penman Manufacturing Company Limited; just before I go to that, Mr. Robinson, the \$2,150,600 which represents common stock was carried in your balance sheet as good will, wasn't it?

BY THE COMMISSIONER: Q. How much? A. \$2,257,954.60 was good will.

20 BY MR. McRUER: Q. Two million -- A. -- two hundred and fifty-seven thousand, nine hundred and fifty-four sixty.

Q. -- nine hundred and fifty-four sixty? A. Yes, good will.

Q. Was carried as good will? A. Yes.

25 Q. And it was later on all written off; I am coming to that? A. Yes, that is right, with the exception of one dollar.

Q. Now -- A. This is the original.

30 Q. This is the original minute book of the Penman Manufacturing Company? A. Yes.

Q. I want to find out when they started?

A. The original Penman Manufacturing Company, Limited

Q. And three shares of the new stock were issued

for every one share of the old stock? A. Three

Q. Now, then, I want to go back to the question

Q. And, of course, the \$500 in old common stock

would be the directors' qualifying shares?

A. Provisional directors, that is right.

Q. Now then, I want to go back to the question

that preceded the present company, that is the Pearson

Manufacturing Company, Limited? A. The Pearson

Manufacturing Company, Limited, yes.

Q. The Pearson Manufacturing Company Limited; that

before I go to that, Mr. Robinson, the \$2,150,000

which represents common stock was carried in your

balance sheet as good will, wasn't it?

BY THE COMMISSIONER: Q. Now wasn't A. \$2,257,054.00

was good will.

BY MR. MOHRER: Q. Two million -- A. -- two

hundred and fifty-seven thousand, nine hundred and

fifty-four sixty.

Q. -- nine hundred and fifty-four sixty? A.

Yes, good will.

Q. Was carried as good will? A. Yes.

Q. And it was later on all written off; I am coming

to that? A. Yes, that is right, with the

exception of one dollar.

Q. Now -- A. This is the original.

Q. This is the original minute book of the Pearson

Manufacturing Company? A. Yes.

Q. I want to find out when they started?

A. The original minute book of the Pearson Manufacturing Company, Limited.



started in 1882. Before that it was a partnership between John Penman and a man by the name of Mr. Adams.

Q. Do you know what the original capitalization of the Penman Manufacturing Company was? A. In 1882

it was 250,000.

Q. \$250,000? A. Yes, in 1893 it was increased to one million.

Q. The capitalization was increased? A. Yes.

Q. Was there new stock sold, or the shares of the new company issued to the shareholders of the old?

A. You are talking about 1892 now, the Penman Manufacturing Company?

Q. Yes? A. I cannot tell you that.

Q. Well, is there a minute book preceding this one? xx This one starts in 1893? A. I could not find it.

Q. You have not got the one preceding? A. No.

Q. Well, there is a minute in respect to the position at that time that appears in the minute book and it reads as follows:

"Whereas the Company has entered into an agreement for the purchase of certain other mills than those now belonging to and operated by the company, the purchase money of said mills to be paid in paid up stock of The Penman Manufacturing Company on a par basis; and by said agreement it is provided that the property and plant now owned by the Company should be taken as of the value of \$300,000.00 and that being a fair valuation of the same; and that the raw material, supplies and general assets of the Company now on hand be taken at the value shown in

2116

Robinson

started in 1892. Before that it was a partnership between John Brown and a man by the name of Mr. A. No you know what the original capitalization of the Brown Manufacturing Company was? A. In 1892

it was \$50,000.

A. \$250,000?

Yes, in 1892 it was increased

to one million.

Q. The next year was increased?

Yes

Q. Was there any stock sold, or the shares of the

not owned, passed to the shareholders of the 1892?

A. Yes, and looking about 1892 was, the Brown Manufacturing

ing company?

Q. Yes? A. I cannot tell you that.

Q. Well, is there a minute book preceding this one?

A. This one starts in 1892? A. I could not find

Q. You have not got the one preceding?

A. No. Q. Well, there is a minute in respect to the 1892?

at that time that appears in the minute book and it

reads as follows:

"Whereas the company has entered into an agreement

for the purchase of certain other mills than those

now belonging to and operated by the company, the

purchase money of said mills to be paid in gold

stock of the Brown Manufacturing Company on a

par basis; and by said agreement it is provided

that the property and plant now owned by the company

should be taken as of the value of \$500,000.00 and

that being a fair valuation of the same; and that

the real material, supplies and general assets of the

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"the last annual statement.

And whereas the amount of fully paid up stock held by the present shareholders amounts to \$204,300.00"-- now, that appears to be \$250,000 capitalization with \$204,300 issued. You mentioned the new structure in 1892; I think you must have been mistaken. This appears to be the new set up.

A. In 1892?

Q. 1893, the 22nd of February, 1893, which is just a few weeks later than 1892.

"And the undistributed profits represented by property and plant, raw material, supplies and general assets, as by the last annual statement amount to \$273,762.00 which undistributed profits belong to the said present stockholders.

And whereas by said agreement hereinbefore referred to it was provided that the present shareholders should accept payment of the said undistributed profits by an allotment to the said shareholders of fully paid up stock in the Company equal in amount on a par basis to the value of said undistributed profits.

It is therefore resolved by the Directors of the Company upon the motion of Mr. Morrice seconded by Mr. Long

That said undistributed profits amounting to \$273,762.00 be permanently added to the capital stock of the Company and that an amount equivalent thereto of fully paid stock of the company be distributed among the present shareholders proportion-

"the last annual statement."

held by the present shareholders amounts to

\$204,800.00-- now, that appears to be \$150,000

capitalization with \$504,800 issued. You mentioned

mistaken. This appears to be the new set up.

A. In 1937?

2. 1935, the date of February, 1935, which is just

a few weeks later than 1935.

"And the undistributed profits represented by

property and plant, new material, supplies and

general assets, as by the last annual statement

amount to \$273,762.00 which undistributed profits

belong to the said present shareholders.

And whereas by said agreement shareholders

referred to it was provided that the present share-

holders should accept payment of the said undis-

tributed profits as an advance on the said

shareholders of fully paid up stock in the company

equal in amount on a par basis to the value of

said undistributed profits.

it is therefore resolved by the directors of

the company upon the motion of Mr. Morris

seconded by Mr. Long

That said undistributed profits amounting to

\$273,762.00 be permanently added to the capital



"ately as nearly as possible to the respective  
amounts of fully paid up stock now held by them,  
where the proportion of said profits coming to  
any shareholder is not an even multiple of \$100.00  
such shareholder to pay or receive the odd sum in  
cash as per the following schedule". And the  
schedule is set up. So that apparently \$204,300  
common stock was outstanding. They had undistributed  
profits amounting to \$273,362 and they issued a stock  
dividend to cover the undistributed profits at that time  
would you agree with that? with Mr. A. Well, I am not  
really conversant with the Penman Manufacturing Company  
Limited. It would be unfair for me to make any  
comment on that because I don't know.

Q. Well, that is as it appears and if at any time  
ing  
of study/it out it occurs to you that is incorrect  
I would be glad if you would let us know because I want  
to be correct on it. The schedule reads as follows --  
it is quite short:

"Shareholder"	No. of Shares now owned	Dividend	Cash to Pay or Rec- eive	New Stock be allotte
F. I. Rogers	20	\$2680.00	80	26
O. R. Whitley	20	2680.00	20	27
Mrs. W.T. Thomson	50	6700.00		67
Miss Kintna	50	6700.00		67
D. Morrice	220	29480.00	20	295
W.D. Long	310	41540.00	60	416
G. H. Bisby	339	45426.00	74	455
Benjamin Lewis	2	268.00	232	5
Mrs. G.H. Bisby	29	3886.00	14	39





Estate W. Edgar 58 77772.00 72 77

C.C. Newberry 50 6700.00 67

John Penman 895 119930.00 70 1200

2043 \$273762.00 \$490 \$152 2741

5 "Upon the motion of Mr. Morrice, seconded by Mr.  
Newberry it was resolved that the agreement hereto-  
fore entered into for the purchase of Mr. I. B.  
Henderson's Mill at Thorold at the price of \$70,000  
in paid up stock of the Company be confirmed, and  
10 the Company's solicitors having reported that the  
conveyance of said mill with all the appurtenances  
and privileges thereof has been duly delivered and  
that the title is satisfactory, the President be  
15 instructed to issue to Mr. I.B. Henderson a cer-  
tificate or certificates for seven hundred fully  
paid up shares of the capital stock of the company  
in full payment for said mill."

Then we have the by-laws of the new company. Now,  
20 we have the annual statement of the 1st of March,  
1903. "The following is a copy of the statement of  
assets and liabilities"-- I think there is probably  
one a little earlier I should get to complete it.  
There is a statement of the 5th of September, 1893  
on page 21. "The following statement was submitted  
25 by the secretary"-- well, that is only a statement  
of assets and liabilities. Well, I will let Mr.  
Howson look at this book and he can take off the  
earlier statement if he can get it. Now, March 1st,  
30 1903, the assets were plant \$1,200,000, new machinery  
\$622.58, sundry reserves \$9,265.48, Cash, \$226,085.95.

50	2700.00	G.C. Newberry
888	11980.00	John Tennant
2048	22782.00	
2741	\$120 9122	

"Upon the motion of Mr. Newberry, seconded by Mr. Newberry it was resolved that the agreement heretofore entered into for the purchase of Mr. I. B. Henderson's mill at Whorod at the price of \$70,000 in paid up stock of the Company be confirmed, and the Company's solicitors having reported that the conveyance of said mill with all the appurtenances and privileges thereof has been duly delivered and that the title is satisfactory, the President be instructed to issue to Mr. I. B. Henderson a certificate or certificates for seven hundred fully paid up shares of the capital stock of the company in full payment for said mill."

Then we have the by-laws of the new company. Now, we have the annual statement of the 1st of March, 1908. "The following is a copy of the statement of assets and liabilities" - I think there is probably one a little earlier I should get to complete it. There is a statement of the 31st of September, 1908 on page 41. "The following statement was submitted by the company" - well, that is only a statement of assets and liabilities. Well, I will let Mr. Newson look at this book and he can take of the earlier statement if he can get it. Now, March 1st, 1908, the assets were about \$1,200,000, the liabilities were about \$1,200,000, the surplus was about \$1,200,000.

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merchandise and supplies \$226,085.95; consignment  
account less advances and reserve \$14,108.07; accounts  
receivable \$51,584.75; profit and loss \$5,027.37.

Liabilities:- Capital, \$750,000.00; bonus \$400,000.00--

5 A. Bonds.

Q. Bonds, \$400,000.00; sundry reserves \$15,543.04;  
due to bank \$247,500.00; accounts payable, \$48,242.76;  
wages account \$4,208.18; Bills payable, \$26,164.08;  
surplus \$17,215.88. A. That would appear,

10 Mr. McHuer, that the capital issued was 750,000.

Q. It would appear there had been issued capital  
at that time of 750,000. There would be 200 and 272,  
that is 473 and there must have been some<sup>in</sup> addition  
to that. I want to go now to when the Penman Manufactur-  
15 ing Company sold out to Penmans Limited. There  
appears to be a minute of the Penman Manufacturing Compe-  
any dated the 2nd of November, 1906, a minute of a  
special general meeting of shareholders. I just  
wonder who the directors of the Penman Company were  
20 at that time. On the 4th of September, 1906 they  
appeared to be John Penman, President, D. Morrice,  
W. D. Long and P.D. Crerar, and this minute goes on  
to record the following:

25 "Penmans, Limited, is prepared to purchase the  
entire property and assets of the Penman Manufactur-  
ing Company, Limited, including its lands, buildings,  
concessions, powers, goods, chattels, moneys, credits  
debts, bills, notes and choses in action, and the  
30 undertaking, business and good-will thereof, with  
the full benefit of all contracts and agreements and

merchandise and supplies \$236,000.00; consignment  
account less advances and reserve \$14,108.07; accounts  
receivable \$51,584.75; profit and loss \$5,027.27.

Liabilities:- Capital, \$750,000.00; bonus \$400,000.00

A. Bonds.

Due to bank \$247,500.00; accounts payable, \$48,242.75;

wages account \$4,208.18; bills payable, \$26,164.06;

surplus \$17,215.88. 4. That would appear,

Mr. McIner, that the capital issued was 750,000.

.. It would appear there had been issued capital

at that time of 750,000. There would be 800 and 250

that is 475 and there must have been some addition on

to that. I want to go now to when the Penman Manufacturing

ing Company sold out to Penman Limited. There

appears to be a minute of the Penman Manufacturing Company

any dated the 2nd of November, 1908, a minute of a

special general meeting of shareholders. I just

wonder who the directors of the Penman Company were

at that time. On the 4th of September, 1908 they

W. D. Long and F. L. Greer, and this minute goes on

to record the following:

"Penman, Limited, is prepared to purchase the

entire property and assets of the Penman Manufacturing

ing Company, Limited, including its lands, buildings,

equipment, fixtures, stocks, cash, accounts receivable,

debts, bills, notes and choses in action, and the

unpaid interest on the bonds and notes of the

Penman Manufacturing Company, Limited, and the



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"of all securities in respect thereof to which the Penman Manufacturing Company, is entitled, and all other, its real and personal property, whatsoever and wheresoever situate and being, except the shares of the Paris Plough Company of the par value of \$25,000. the whole as a going concern as of date the 31st December, 1905, as shown on the following statement of its assets and liabilities of said date."

10

Now, the liabilities are as follows: Capital stock \$722,400.00; other liabilities, accounts payable, call loan of John Penman, Long & Bisby; you don't know what Long & Bisby were, do you? A. Yes, it is a firm in the City of Hamilton, wool dealers.

15

Q. Oh yes? A. They bought wool from them.

Q. It was owing to them for wool, I suppose?

A. Yes.

Q. Long is a director of Penmans at present, is he?

A. No, he is dead.

20

Q. These liabilities amount to \$659,020.160; wear and tear account \$419,332.42, and W.M. Company, whatever that is? A. That is the Watson Manufacturing Company Limited.

25

Q. That is wear and tear account for them; there are ditto marks under it? A. Yes, it is kept separately, that is all.

Q. \$16,238.09. \$300,000, would that be reserve?

A. Reserve.

30

Q. Reserve; then wear and tear account and renewal account would be both reserve? A. Are both

"of all securities in respect thereof to which the  
Pennon Manufacturing Company, is entitled, and all  
other, its real and personal property, whatsoever  
and whatsoever estate and being, except the  
shares of the Pennon Manufacturing Company of the par value  
of \$25,000. the whole as a going concern as of  
date the 31st December, 1932, as shown on the  
following statement of its assets and liabilities  
of said date."

Now, the liabilities are as follows: Capital stock  
\$25,000.00, and liabilities, \$100,000.00.  
Call loan of John Pennon, Long & Kirby; you don't  
know what Long & Kirby were, do you? A. Yes, it  
a firm in the City of Hamilton, wool dealers.

Q. Oh yes?  
A. They bought wool from  
Q. It was owing to them for wool, I suppose?  
A. Yes.  
Q. Long is a director of Pennon at present, is  
A. No, he is dead.

Q. Those liabilities amount to \$125,000.00;  
what are the liabilities, \$125,000.00, and W.E. Company,  
whatever that is?  
A. That is the factory  
Manufacturing Company Limited.  
Q. That is near and near account for them; that  
are also marks under it?  
A. Yes, it is kept

Q. \$125,000.00, \$250,000, would that be reserved  
A. Yes,  
Q. That is the total of the liabilities and assets  
A. Yes, that is the total of the liabilities and assets



reserve.

Q. \$300,000, and rest account of \$585,523.43; is that another reserve account? A. Yes.

Q. And then reserve account of \$9,737.13.

5 Profit and loss account of the Watson Manufacturing Company of \$105,313.91 and guarantee account of Watson Manufacturing Company of \$4,480.19, and profit and loss account of this company, of the Penman Company, being \$282,128.17.\* Just let us see what that group of reserve accounts amount to. I make it about \$1,600,000 of reserves that the company had built up out of the original investment of \$250,000 by that time? A. Yes.

Q. That would be correct, would it not?

A. I would think so.

Q. Then the assets are -- well, would you just copy in this statement of liabilities and assets, Mr. Reporter; I don't to read them all over.

"

# LIABILITIES

20	Capital Stock		722,400.00
	Bills Payable	3,546.00	
	John Penman, call loan	124,298.45	
	Long & Bisby	424,000.00	
25	Accounts Payable	86,595.34	
	" " W.M. Co.	8,942.36	
	Pay Rolls	10,871.05	
	" " W. M. Co.	767.40	659,020.60
	Wear and Tear Account	419,332.42	
30	" " " " W.M.Co.	16,238.09	435,570.51

4. \$500,000, and then account of \$250,000.48; is

that another reserve account?

A. Yes.

5. And then reserve account of \$8,757.15.

Profit and loss account of the Watson Manufacturing

Company of \$105,213.91 and guaranteed account of

and loss account of this company, of the same

Company, being \$25,185.14. Is that not correct?

Yes, that is correct.

Is about \$1,500,000? reserves that the company

had built up out of the original investment of

\$1,500,000?

Yes, that is correct.

6. That would be correct, would it not?

A. I would think so.

7. When the assets are -- well, would you just

copy in this statement of liabilities and assets,

Mr. Reporter; I don't to read them all over.

LIABILITIES

Capital stock	750,000.00
Reserve	5,445.00
John Brown, call loan	124,238.45
Long & Sharp	424,000.00
Reserve	86,995.24
Reserve	9,757.15
Reserve	10,571.08
Reserve	757.15
Reserve	419,822.48
Reserve	25,185.14



Renewal		300,000.00
Rest Account	585,323.43	
Reserve	9,737.13	
Profit & Loss W.M.Co.	105,313.91	
Guarantee A/c W.M. Co.	4,480.19	704,854.66
Profit & Loss		282,128.17
		<u>\$3,103,973.94</u>

ASSETS

Inventories		860,937.82
W.M. Co.		175,574.78
Woolain Hamilton		34,715.20
Bills Receivable		206,143.31
Accounts Receivable		334,671.53
W.M. Co.		46,745.89
Cash		18,122.02
Plant A/c	1,395,235.20	
Building Lots	6,828.19	
Paris Plough Shares	25,000.00	1,427,063.39
		<u>\$3,103,973.94</u>

offer

Then, after the annual statement this/goes on--

"and on the understanding that the Company has not  
divested itself of any of its real and personal  
property, other than the capital stock of the  
Paris Plough Company, except in the ordinary  
course of business, and that it has not increased  
its liabilities except for the purposes of the  
Company and in the ordinary course of business,  
and that it has, since the said date, only paid  
its usual half-yearly dividends of 4% being at  
the rate of 8% per annum, for and in consideration

Renewal	300,000.00
Rest Account	885,333.45
Profit & Loss W.M. Co.	105,311.91
Guarantee A/c W.M. Co.	4,480.12
<b>Total Assets</b>	<b>1,295,125.38</b>
	1,295,125.38

Inventories	830,937.82
Wool in Hamilton	34,715.20
Bills Receivable	206,148.81
Accounts Receivable	834,671.52
Cash	18,122.03
Plant A/c	1,335,335.20
Building Loss	6,888.10
<b>Total Liabilities</b>	<b>2,995,820.48</b>
	2,995,820.48

Then, after the annual statement this year  
 "and on the understanding that the company has not  
 diverted itself of any of its real and personal  
 property, other than the capital stock of the  
 Paris Plough Company, except in the ordinary  
 course of business, and that it has not increased  
 its liabilities except for the purpose of the  
 company and in the ordinary course of business,  
 and that it has, since the said date, only paid  
 the annual half-yearly dividends of 4s being 2s  
 the rate of 8s per annum, for and in consideration



5 "of the assumption by Penmans, Limited, of all the debts, liabilities and obligations of the Penman Manufacturing Company, Limited, except the liabilities or obligations incurred by it on behalf of the Paris Plough Company, and in further consideration of the payment to the Penman Manufacturing Company, Limited, or its nominees and assigns of the sum of"-- and this is apparently the consideration for the purchase price 2-- "\$500,000 in cash,

10 \$1,500,000 of First Mortgage Five per cent Gold Bonds, part of an issue of \$2,000,000 to be created and issued by Penmans, Limited, and \$1,000,000 of the preferred and \$2,000,000 of the common stock of the said Penmans Limited".

15 So that the shareholders of the Penman Manufacturing Company apparently sold out the enterprise to Penmans Limited for two million dollars in bonds, one million dollars in preferred stock --

20 MR. KELLOCK: \$1,500,000 in bonds.

MR. McRUER: \$1,500,000 in bonds, yes, I beg your pardon. \$1,500,000 in bonds, \$1,000,000 in preferred stock and \$2,000,000 of the common stock.

MR. KELLOCK: And \$500,000 cash.

25 THE COMMISSIONER: And \$500,000 cash.

MR. McRUER: And \$500,000 cash?

A. That is correct.

Q. So that the investment of \$250,000 now realized into --

30 MR. KELLOCK: You are overlooking additional cash, \$273,000 --

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BY MR. McRUER: What additional cash; the capital was brought up in 1893 to -- A. To 750,000 apparently.

5 Q. No, no, you see that was a stock bonus of 271,000, and if there is any evidence of any additional cash being brought in I would like to have it.

MR. KELLOCK: There was the purchase of the Henderson Mill for \$75,000 in 1893.

MR. McRUER: Yes, that is right, \$75,000.

10 MR. KELLOCK: Those are new assets.

MR. McRUER: That is a new asset. Well, I will just have Mr. Howson go through this carefully again to see that our conclusions are accurate, but apparently for about \$310,000 at any rate, by 1906 it had blossomed into about five million.

15 THE COMMISSIONER: The common stock had no par value?

MR. McRUER: The common stock had a par value of \$100 a share at this time, my lord.

20 THE COMMISSIONER: Oh, I see.

BY MR. McRUER: Q. Well, you find no fault with that computation so far? A. Well, our purchase entries in our books when we started shows on the one side securities to the extent of five million dollars for which we got certain assets, and the difference between that and the amount of securities-- the five million would be this good will we are talking about.

30 Q. Well, well -- A. I am not prepared to say anything about this cash because I don't know just what the transaction was. All I know is that

BY MR. McLENNAN: That additional cash; the capital  
was brought in in 1911 in the form of \$10,000  
of cash, no, you see that was a stock bonus of

\$71,000, and if there is any evidence of any additional  
cash being brought in I would like to have it.

MR. McLENNAN: There was the purchase of the  
common stock for \$75,000 in 1911.

MR. McLENNAN: Yes, that is right, \$75,000.  
MR. McLENNAN: Those are new assets.

MR. McLENNAN: That is a new asset. Well, I will  
just have Mr. McLENNAN go through this carefully again

to see that our conclusions are accurate, but apparently  
for about \$10,000 of any date, by 1906 it had  
been changed into about five million.

MR. McLENNAN: The common stock had no par  
value.

MR. McLENNAN: The common stock had a par value of  
\$100 a share at this time, my lord.

BY MR. McLENNAN: Well, you find no fault with  
that conclusion so far?

A. Well, our purchases  
entries in our books then we started shows on the  
one side accounts to the extent of five million  
dollars for which we got certain assets, and the

difference between that and the amount of securities  
the five million would be the cash which we are talking  
about.

A. Well, well -- I am not prepared to  
say anything about this cash because I don't know



the first entries in Penmans' purchase account shows on the one side five millions of dollars of securities at par value; is that right?

5 Q. Well, apparently five million dollars was issued for the purchase of this concern? A. Yes.

Q. And the shareholders, the owners of the concern undoubtedly got \$5,000,000 either in securities or in cash? A. Yes, correct.

10 Q. Now, can you tell me how the \$500,000 was raised, that provided the cash payment of \$500,000?

A. No, but I would assume that it was raised through a loan from the bank on the strength of those bonds.

MR. KILLOCK: Well, if there is any evidence of that

15 THE WITNESS: No, no evidence, I am only assuming that

BY MR. McRUER: Q. I cannot follow that.

A. Well, we show \$2,000,000 of bonds issued.

BY THE COMMISSIONER: Q. There were \$2,000,000 of bonds issued and only \$1,500,000 were given over?

20 A. That is what I base my assumption on.

BY MR. McRUER: Q. At any rate, apparently there was no new stock sold in 1906 to bring in \$500,000 in capital which would be paid out on this purchase price?

A. Not that I know of.

25 Q. I would think your financial records would indicate where that \$500,000 came from? A. I have failed to locate it.

Q. You have looked for it, have you? A. Yes, I have, for my own satisfaction.

30 Q. Because it is rather strange that the company enters into an agreement to pay \$500,000 and there is

• Well. Numerous.

• GAY •

3. And the shareholders, the owners of the concern



no trace of where the money came from to pay it.

It is a rather small item, I know -- A. They mention \$1,500,000 bonds when really it is \$2,000,000 bonds.

5

Q. Do your records show that the \$2,000,000 of bonds are outstanding and issued? A. Of Penmans Limited?

Q. Yes? A. Certainly.

10

Q. Oh, I see; may I take it this way, Mr. Robinson, that your records don't show \$2,000,000 in bonds having all been sold? A. No; we have a record of \$2,000,000 of bonds issued, you see.

15

In addition to that one million of preferred stock and two millions of common stock making five million.

Q. There is no record of the \$500,000 in bonds having been sold? A. No.

20

Q. So it is probably a fair conclusion to come to that the vendors accepted the \$500,000 in bonds in place of the cash? A. Well, I --

THE COMMISSIONER: Then it would have been entered that way.

25

BY MR. McRUER: Q. Mr. Howson points out to me that in 1909 there is bond discount of -- 1908, of \$50,810.75? A. Yes.

30

Q. Which would rather indicate -- A. There are two items there.

Q. And another in 1909 of \$14,160.17, which would look as if they had sold the bonds? A. That is what I said, I went on the assumption that the \$500,000 cash was raised from the sale.

no trace of where the money came from to pay it.  
It is a rather small item, I know -- A. They  
mention \$1,500,000 bonds when really it is \$2,000,000  
bonds.

4. Do your records show that the \$2,000,000  
of bonds are outstanding and issued? A. Of  
course, limited?  
A. Yes?  
A. Certainly.

5. Now, I think you have said that your records don't show \$2,000,000 in  
bonds having all been sold? A. No; we have a  
record of \$2,000,000 of bonds issued, you see.  
In addition to that one million of preferred stock  
and one million of common stock, which is the total.  
6. There is no record of the \$200,000 in bonds  
having been sold? A. No.

7. So it is probably a fair conclusion to come to  
that the vendors accepted the \$200,000 in bonds in  
place of the cash? A. Well, I --  
THE COMMISSIONER: Then it would have been entered  
that way.

BY MR. ROBINSON: Mr. Howard points out to me  
that in 1903 there is bond discount of -- 1904, of  
\$2,000,000.

8. Which would rather indicate -- A. There are  
two items there.  
9. And the balance is 1905 of \$2,000,000, which is  
just as it is the same for 1904.  
What I said, I went on the assumption that the  
\$200,000 cash was



Q. \$500,000 cash? A. Yes, raised from the sale of these bonds.

Q. And the money raised<sup>used</sup>/to pay this cash payment?  
A. Yes.

5 Q. I see. The balance of this minute goes on to authorize the sale on these terms and apparently the financial records of the present company indicate that it was carried out on those terms? A. Right.

10 THE COMMISSIONER: What is the interest on these preferred shares, the rate?

MR. McRUER: I will get that. A. Five and ten -- oh, I beg your pardon, what is the question?

Q. The rate of interest on the preferred stock?  
15 A. 6% cumulative.

Q. And the bonds were 5%?  
A. No, at that time 5.

THE COMMISSIONER: Five you told us.

20 BY MR. McRUER: Q. They were 5 and later raised to 5%? A. In 1926 when the original issue were matured a new issue for a similar amount was issued at 5% per annum.

Q. Now then, you have the minute book of the present company, have you? Have you got the Almont purchase?  
25 A. Yes.

Q. You refer me to a minute dated the 15th of November 1906 which reads as follows;

30 "The president reported that an opportunity represented itself to acquire control of the Anchor Knitting Company, Limited, of Almonte, Ontario. He said the Company was incorporated under Letters

Q. \$600,000 cash?  
A. Yes, raised from the sale of these bonds.

Q. And the money raised to pay this cash payment?

A. Yes.

Q. I see. The balance of this minute goes on to authorize the sale on these terms and apparently the financial records of the present company indicate that it was carried out on these terms?  
A. Right.

Q. Now, what is the interest on these preferred shares, the rate?

A. Five and a half per cent.

Q. Now, I beg your pardon, what is the question?

A. The rate of interest on the preferred shares?

A. Six per cent.

Q. And the bonds were \$600,000, at that time?

A. Yes.

Q. Now, you have the minute book of the present company, have you? Have you got the minute book of the company?

A. Yes, they were 5 and later raised to 6.

Q. In 1906 when the original issue was made?

A. Yes.

Q. Now then, you have the minute book of the present company, have you? Have you got the minute book of the company?

A. Yes.

Q. You refer me to a minute dated the 15th of November 1906 which reads as follows:

"The directors reported that an opportunity

was offered to acquire control of the

company and that the directors had

accepted the offer and had issued

the bonds for the purpose of raising

the money required for the purpose

of acquiring control of the company



"Patent ~~af~~ with a capital stock of \$100,000 divided into one thousand shares of \$100.00 each, of which 750 shares have been issued and fully paid up. It was proposed to purchase the entire Capital Stock for the sum of \$285,000, payable as to one-third in the Preferred and two-thirds in the Common Stock of this Company. The purchase will be made subject to the conditions that since the 31st day of July, 1906, the Company has not divested itself of any of its real and personal property, except in the ordinary course of business; that it has not increased its liabilities except for the purposes of the Company and in the ordinary courses of business, and that it has since the said date only paid a dividend of \$2250.00 to its Shareholders."

So that the Almonte Company had apparently sold out its \$75,000 of common stock for \$225,000 to the Penman Company at that time? A. Right.

Q. Now then, there was no other change in the capital structure until 1926? A. That is right -- well, we wrote off goodwill in 1922.

Q. Well, I am coming to that, yes.

A. 1926 the new bond issue came in.

Q. 1926 the new bond issue came in and it was refunded for how much, the same? A. \$2,000,000 .

Q. \$2,000,000 --

THE COMMISSIONER: That was 5½% that time?

BY MR. McRUER: It became 5½% then? A. 5½.

Q. And was it at the same time that the common

"Patent as with a capital stock of \$100,000 divided into one thousand shares of \$100.00 each, of which 750 shares have been issued and fully paid up. It was proposed to purchase the entire Capital Stock for the sum of \$250,000, payable as to one-third in the preferred and two-thirds in the common stock of this company. The purchase will be made subject to the conditions that since the 31st day of July, 1906, the company has not divested itself of any of its real and personal property, except in the ordinary course of business; that it has not increased its liabilities except for the purpose of the company and in the ordinary course of business, and that it has since the said date only paid a dividend of \$250.00 to its shareholders."

So that the Alberta Company had apparently sold out its \$25,000 of common stock for \$250,000 to the Alberta Company at that time? A. Right.

Q. Now then, there was no other change in the

capital structure until 1908? A. That is right.

Well, we wrote off goodwill in 1908.

Q. Well, I am coming to that, yes.

A. 1908 the new bond issue came in.

Q. 1908 the new bond issue came in and it was

retained for how much, the same? A. \$2,000,000.

Q. \$2,000,000 --

Q. The \$2,000,000: that was 5% that time?

Q. Yes, that was 5% that time? A. Yes.

Q. And was it at the same time that the common



stock was split three shares for one and changed to stock of no par value? A. No, the common stock was split in 1927.

Q. 1927, and became stock of no par value?

A. 64,518 shares.

Q. 64,518 shares of no par value? A. Yes.

Q. And it remains now at the same capitalization?

A. Yes.

Q. Now, the purchase of the Anchor Knitting Company, was there anything included for good will there? A. \$100,738.25.

Q. I see -- how much was it, one hundred thousand--

A. \$100,738.25.

Q. And for that would be issued preferred and common stock in the proportions of one to two?

A. Each share of Anchor got one share of preferred and one share of common of Penmans Limited stock.

Q. Was that good will written off? A. Yes, that is included in the Penman good will.

Q. That is included in which? A. Yes.

Q. In the Penman good will? A. Yes, both of them were added together.

Q. So that we have now got Penmans Limited launched? A. Yes.

Q. With its share capital after the acquisition of the Almonte company, its share capital consisting of 1,075,000 preferred shares and the 2,150,600 common shares? A. Right.

Q. Now, on your books 2,150,600 common shares were

2350

Robinson,

stock was split three shares for one and changed to  
 stock of no par value? A. No, the common stock  
 was split in 1927.  
 Q. 1927, and became stock of no par value?  
 A. Yes, that was the case.  
 Q. 64,518 shares of no par value? A. Yes.  
 Q. And it remains now at the same capitalization?  
 A. Yes.  
 Q. Now, the company in 1927, when it was  
 company, was there anything included for good will  
 then?  
 A. I see -- how much was it, one hundred thousand  
 A. \$100,000.  
 Q. And for that would be issued preferred and  
 common stock in the proportions of one to two?  
 A. Then share of another got one share of preferred  
 and one share of common of Peninsula Limited stock.  
 Q. Was that good will written off? A. Yes, that  
 is included in the common good will.  
 Q. That is included in which?  
 A. Yes.  
 Q. In the common good will?  
 A. Yes, both of  
 them were added together.  
 Q. So that we have now got Peninsula Limited  
 common stock.  
 Q. With its share capital after the consolidation  
 of the limited company, its share capital consisting  
 of 1,075,000 preferred shares and the 2,150,000 of  
 common shares?

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carried as good will? A. We had good will.

Q. Well, it was carried as good will and dealt with as good will? A. Yes.

5 Q. Now, have you got your profit and loss return that you made to Mr. Howson? Can you follow me? According to this return the trading profit and miscellaneous revenue for the year 1907 appears to have been \$577,268.54. Mr. Howson says on this figure he has taken off bad debts. He has adjusted for bad debts.

MR. KELLOCK: And depreciation?

MR. McRUER: No, I am coming to depreciation. \$6,037.09 was set apart for machinery account apparently?

15 A. That was written off.

Q. Pardon? A. Written off.

20 Q. Preferred dividends amount to \$63,375 that were paid and common dividend of \$43,012. Apparently that was not the common dividend for the full period covered by the report at that time because I notice the next year was nearly twice as much; apparently it was just a half year common dividend paid?

A. Well, it was at the rate of 2%, I think.

25 Q. Transferred to ~~xxx~~ reserve account \$50,000 and transferred to surplus account at the end of the year 1907, \$414,844.45. A. That was the balance.

Q. That was transferred to surplus account?

A. Yes, that was the balance at that time.

30 Q. So that apparently after the first year of operation they made profits over and above depreciation that was set aside amounting to \$17,000 more than

carried as good will. A. We had good will.

Q. Well, it was carried as good will and dealt

with as good will? A. Yes.

Q. Now, have you got your profit and loss return

that you made to Mr. Howson? Can you follow me?

According to this return the trading profit and miscellaneous revenue for the year 1907 appears to

have been \$577,868.84. Mr. Howson says on this

figure he has taken off bad debts. He has adjusted

the book value.

MR. HOWSON: And depreciation?

MR. MOHRER: No, I am coming to depreciation.

\$6,087.09 was set apart for machinery account approx-

imately? A. That was written off.

Q. Is that? A. Written off.

Q. What was the balance of the account at the end of

the year 1907, \$414,844.46. A. That was the balance.

that was not the common dividend for the full period

covered by the report at that time because I notice

the next year was nearly twice as much; approximately

it was just a half year common dividend period.

A. Well, it was at the rate of 2 1/2, I think.

Q. Transferred to the reserve account \$250,000

and transferred to surplus account at the end of

the year 1907, \$414,844.46. A. That was the balance.

Q. That was transferred to surplus account?

A. Yes, that was the balance at that time.

Q. So that approximately after the first year of

operation they made profits over and above depreciation



50% of the total capital stock that was issued for the acquisition of the plant that you had acquired if we leave out of consideration the good will.

5 A. ~~xx~~ Well, that statement of profit and loss account is a combined statement of 1906 and 1907.

Q. Oh yes, so it ought to be taken into two years' operations really. A. Well, we were in a state of re-organization for a long time. That is a combined statement of the profit and loss account for 1906 and ~~1907~~ 1907.

Q. So that my observation instead of being in regard to one year ought to be two years?

A. Right.

(page 9535 follows)

Q. Now, I want to ask you, if you have the  
the statement of the account that you have mentioned

it is a statement of the account of the good will.

A. Yes, that statement of profit and loss

statement is a statement of profit and loss.

Q. Oh yes, so it ought to be taken into two

parts, the profit and loss.

in a state of re-organization for a long time. That

is a combined statement of the profit and loss

account for 1906 and for 1907.

Q. So that my observation instead of being in

regard to one year ought to be two years?

A. Right.

(page 2555 follows)



9535

Robinson

Q. Then 1908 the trading profit for the year appears to have been \$287,593.79, written off machinery \$2,363.68, bond interest \$96,260. Bond discount \$50,810.74. Preferred dividend, \$64,500. Common dividend \$86,024. Transferred to reserve \$50,000. And the balance in profit and loss account at the end of the year was \$351,874.25. So that it was about \$63,000 less after making those appropriations than it had been at the end of the previous year.

A. That is right.

Q. Then the year 1909, the trading profit for the year appears to have been \$424,139.94. Written off machinery account \$8,484.69. Bond interest \$100,000. Bond discount \$14,160.27, and preferred dividend of \$64,500 paid, common dividend, \$86,024. Transferred to reserve \$100,000, transferred to surplus account \$50,131.08, making a balance in surplus account of \$402,905.33. In the year 1910 the trading profits were \$407,812.34. Written off machinery account \$26,268.88. Paid bond interest, \$100,000. Paid preferred dividend \$64,500. Common dividend \$86,024. Transferred to reserve \$100,000. Transferred to surplus account \$30,644.66? A. Yes, that is right.

Q. Making a balance in surplus account of \$432,649.99. So that from the years 1906 to 1910 this Company on the investment, as far as I can find, of apparently \$300,000 odd ---

Robinson

2535

Then 1908 the trading profit for the year

\$2,338.68, bond interest \$90,200. Bond discount

\$50,210.74. Preferred dividend, \$64,500. Common

dividend \$10,000. Transferred to reserve \$100,000.

And the balance in profit and loss account at the end

of the year was \$331,874.25. So that it was about

\$33,000 less after making those appropriations than

it had been at the end of the previous year.

A. That is right.

Then the year 1909, the trading profit for the

year appears to have been \$484,139.94. Written off

machinery account \$8,484.89. Bond interest \$100,000.

and common dividend

of \$54,500 paid, common dividend, \$64,000. Transferred

to reserve \$100,000, transferred to surplus account

\$50,131.08, making a balance in surplus account of

\$402,908.35. In the year 1910 the trading profit

were \$407,814.84. Written off machinery account

\$2,508.88. Paid bond interest, \$100,000. Paid

preferred dividend \$64,500. Common dividend

\$58,024. Transferred to reserve \$100,000.

Transferred to surplus account \$50,544.89. A. Yes,

that is right.

g. Making a balance in surplus account of

\$182,844.99. So that from the year 1908 to 1910

this Company on the investment, as far as I can find,

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MR. KELLOCK: Not of this Company.

MR. McRUER: This Company on the original investment of Penmans Manufacturing Company of about \$300,000 made in profits,--

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MR. KELLOCK: You are overlooking that amount.

MR. McRUER: A Q. We will make it \$400,000 --

I will be generous, made in profits \$1,690,000.

Paid out in bond interest \$296,000. Paid dividends

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on the preferred stock of \$257,000, and I am leaving out the dividends on the common stock, which was written off later as good will, treated as such --

there was a clear profit of \$1,137,000 in the first five years of the operation of the Company.

15

A. Well, they did during that period about \$13,000,000 or \$14,000,000 worth of business and we had very large bank advances or we could not have done it, we could not do it on that capital.

20

Q. I suppose you paid interest on your bank loans and the bank was awfully glad to have you as a customer? A. Yes, but if we had not got those loans we would not be able to do that.

25

Q. And the interest paid on the bank loans, is all taken into consideration before the trading profit is arrived at? A. Oh yes, certainly.

30

Q. Well then, we will go on from there. In 1911 the trading profit was \$341,348.47 - and I will just bridge the gap - the reserve set up for machinery account and bond interest was paid and preferred

MR. KELLOCK: Not of this company.

MR. MONTGOMERY: This company on the original in-

ment of Penman Manufacturing Company of about 1900,

made in profits,--

MR. KELLOCK: You are overlooking that amount.

MR. MONTGOMERY: ... it will make it 1400,000 --

I will be generous, made in profits \$1,250,000.

Paid out in bond interest \$250,000. Paid dividends

on the preferred stock of \$250,000, and I am leaving

out the dividends on the common stock, which was with

ten off later as good will, created as such -

there was a clear profit of \$1,150,000 in the first

five years of the operation of the company.

A. Well, they did during that period about \$15,000,000

or \$14,000,000 worth of business and we had very large

bank advances or we could not have done it, we could

not do it on that capital.

I would like to know the value of the

and the bank was actually glad to have you as a

customer? ... Yes, but if we had not got those

loans we would not be able to do that.

... and the interest paid on the bank loans,

is all taken into consideration before the trading

profit is arrived at? A. Oh yes, certainly.

... Well then, we will go on from there. In

1911 the trading profit was \$241,000.47 - and I will

just bridge the gap - the reserve set up for machine

... and bond interest was paid and preferred



dividends paid at the same rate, \$86,024, and transferred to Reserve Account \$100,000 and the balance in surplus account was \$410,414.14. In 1912 the trading profit was \$402,723.21 and the balance in surplus account, after making these appropriations, \$447,106.25. In 1913 the trading profit was \$440,556.44 and the balance in surplus account now is \$522,483.14. In 1914 the trading profit was \$374,663.60, and the balance in surplus account was \$530,774.74. And then in 1915 things get a bit better. The trading profit is \$761,563.78. Appropriations to machinery account \$18,415.00, the bond interest, \$100,000 paid. There is \$3,500 paid to the Patriotic Fund and Preferred Stock Dividends, \$64,500. paid and common stock dividends \$88,024.00. Transferred to reserve account, \$400,000 in that year and the surplus account is raised to \$619,899.52. In 1916 the trading profit is \$861,416.21. Machinery account appropriation \$22,663.21. Bond interest \$100,000. Patriotic Fund and income taxes \$114,129.74. Preferred dividends are the same. The common dividends are now raised to \$107,530. Transferred to reserve account ---

THE COMMISSIONER: What rate is that?

MR. McRUER: Q. What rate would that be - that would be 5% on the issued common stock? A. Bonus.

Q. Transferred to reserve \$400,000 and balance in surplus account \$672,492.78. So that by that

red to Reserve Account \$100,000 and the balance is

subj's account was \$10,414.14. In 1961 the

Trading profit was \$40,728.21 and the balance on hand was \$18,887, 1048

and the balance in all other accounts was \$44,800.04.

1953, 488.14.. in 1914 the foreign profits were

100,000 paid. There is \$5,000 paid to the

autistic tendencies and preferred stock dividends, 304, 305.

Trading profit is \$801,468.81. Machinery account



there was, if you take the two reserve accounts into consideration and leave out the machinery reserve, there was a sum in the surplus account in your two reserves, which would create a surplus account of more than enough to equal the whole of the outstanding preferred stock or more than twice as much as the original invested capital. That would be fair, would not it? A. Well, depends what you decide on the original investment.

Q. Well, \$750,000 was the outstanding stock and \$225,000 at least was issued as stock bonus - we know that - so that the stock that was issued for consideration could not be much more than \$500,000, could it? \$448,300, I am taking round figures, \$500,000 the original capital invested. Then we come to the year 1917. The trading profits for the year were \$1,134,541.91. Then there was set up for a depreciation account of \$119,023.08, which seems to replace the machinery appropriations? A. Yes, up to the end of 1916 they merely wrote off machinery and equipment that was scrapped. Now, we begin to establish a reserve depreciation, 1917.

Q. You paid the bond interest. There was for patriotic fund and income taxes, \$108,113.68. Could you tell me how much of that is income tax?

A. The war tax was \$91,813.68. (Q. The balance would be patriotic fund? A. Yes, \$16,300.

there was, if you take the two reserve accounts into  
consideration and leave out the machinery reserve,  
there was a sum in the surplus account in your two  
reserves, which would create a surplus account of more  
than enough to equal the whole of the outstanding  
preferred stock or more than twice as much as the  
original invested capital. That would be fair, wouldn't it?  
Well, depends what you decide on the  
original investment.  
Well, \$750,000 was the outstanding stock and  
\$250,000 at least was issued as stock bonds - we know  
that - so that the stock that was issued for consideration  
could not be much more than \$500,000, could it?  
\$448,800, I was taking round figures, \$500,000 was  
original capital invested. Then we come to the year  
1917. The trading profits for the year were  
\$1,184,241.21. Then there was set up for a  
depreciation account of \$119,985.60, which seems to  
replace the machinery depreciation. Yes.  
As to the end of 1918 they merely wrote off machinery  
and equipment that was scrapped. Now, we begin  
to establish a reserve depreciation, 1917.  
Well, you said the bond interest. There was for  
the year 1917, \$119,985.60, which seems to  
replace the machinery depreciation. Yes.  
You tell me how much of that is income tax?  
A. The net was \$21,315.60. The balance would  
be patriotic funds.

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Robinson

Q. Preferred dividends the same; common dividends the same, \$107,530.00. Transferred to reserve \$500,000.00, and the Surplus Account appears to be \$807,867.93 at the end of that year? A. Yes.

Q. So that the amount transferred to Reserve in that one year alone, after paying the Common Dividend of \$107,530.00, the Preferred Dividend, and Bond Interest and everything, seems to have been an amount in excess of the capital originally invested in the Company--that would be fair.

MR. KELLOCK: What year do you mean?

MR. McRUER: 1917.

MR. KELLOCK: No, capital originally invested.

MR. McRUER: At any time.

MR. KELLOCK: Well, go back to 1882.

MR. McRUER: Q. I was taking the money that went into it originally? A. You are not giving us the capital of Penmans Limited, you are---

Q. I am going back to the investment originally. The Company built the--

MR. KELLOCK: You might as well go back to John Penmans investment.

MR. McRUER: Yes, we could do that for that matter. I am just getting the facts, that is all.

THE WITNESS: You know we are in the war period now.

Q. Yes, it seems not to have been a very unfortunate period for this line of business?

Hobbs

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Transferred to Reserve  
and the Surplus Account appears to be  
\$207,887.95 at the end of that year?  
So that the amount transferred to Reserve  
in that one year alone, after paying the Common Div  
of \$107,030.00, was \$100,857.95  
interest and everything, seems to have been an excess  
excess of the capital originally invested in  
the Company--that would be right.  
MR. KELLICK: What year do you mean?  
MR. MORRIS: 1917.  
MR. KELLICK: No, capital originally invested.  
MR. MORRIS: At any time.  
MR. KELLICK: Well, go back to 1908.  
MR. MORRIS: I was taking the money and  
sent into it originally? You are not giving  
us the capital of Penmans Limited, you are--  
I am going back to the Penmans statement.  
MR. KELLICK: You might as well go back to 1908.  
Penmans investment.  
MR. MORRIS: Yes, we could do that for last matter.  
I am just getting the facts, that is all.  
THE WITNESS: You know we are in a very  
Now.  
Yes, it seems not to have been a very  
information to be used for this purpose.

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A. No, but that is the reason.

Q. Maybe? A. No, not maybe, that is the reason.

5 Q. Well, can you tell me why - I am just, since the matter is raised, going to ask why should a company that has been making the profit that this company has been making show such tremendous profits in a war period when other people are making the supreme sacrifice?  
10 A. Well, that is all right, Mr. McRuer.

Q. You just tell me why. What justification is there for it? A. In the first place there was an unprecedented demand. As a matter of fact the supply was not equal to the demand and ---  
15

Q. Supposing that is true.

MR. KELLOCK: Let him answer.

MR. McRUER: Q. It was a demand for war supplies?

A. The cost of production,---

20 Q. I am not dealing with cost of production, I am dealing with net profit? A. That is the reason, tremendous demand and that demand brought about a lower cost of production.

25 Q. And it was the Government that was requiring these articles that put up the demand and required them to clothe the soldiers? A. I heard a manufacturer say once that during the war period 50% of the money that was made came out of increase  
30 of inventory. There was such a tremendous increase in the price of all commodities during that period.

A. No, but that is the reason.

Q. May be? A. No, not maybe, that is the

reason.

A. Well, can you tell me why - I am just, since

matter is raised, going to ask why should a company

that has been making the profit that this company has

been making show such tremendous profits in a war

period when other people are making the supreme

sacrifices? A. Well, that is all right, Mr. Member

A. You just tell me why. That justification

is there for it? A. In the first place there was

an unprecedented demand. As a matter of fact the

supply was not equal to the demand and ---

A. Supposing that is true.

MR. KELLER: Let him answer.

MR. MEMBER: Q. It was a demand for war supplies

A. The war is the reason.

Q. I am not dealing with cost of production.

I am dealing with net profit? A. That is the

reason, tremendous demand and that caused the

a lower cost of production.

A. And it was the Government that was requiring

these articles that put up the demand and required

them to clothe the soldiers? A. I heard

a manufacturer say once that during the war period

50% of the money that was made came out of increase

of inventory. There was such a tremendous increase

in the price of all commodities during that period.

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Q. Why was a manufacturing establishment such as yours taking advantage of the situation that the public had been crowded into due to a war to make such large profits? A. Well, ---

Q. And we come to much larger profits than we have already dealt with. You have got me onto

this too soon? A. I am going to bring you a letter this afternoon from the United States Government - talking about these profits - in which we have quoted a price on a very large order from them.

When the price was given to them it was nearly 300,000 pairs of men's socks. They made a typographical error of one cent per pair and we called their attention to it and they commended us for it. I merely say that nine concerns out of ten would have never have mentioned it - I am talking of Benmans.

THE COMMISSIONER: Q. Is that really so?

You mean nine Canadian concerns out of ten would have taken the money? A. They might have.

MR. McRUER: Q. There was not much reason why you should take advantage of typographical errors with this showing at that time? A. No, but we could have got that.

Q. We will go on with these war years. They rather speak for themselves. In 1918 the trading profits were \$1,358,331.40. Depreciation \$121,160.18. Bond interest \$100,000. Income tax and patriotic fund, \$369,076.69. Could you tell me how much of

Q. Why was a manufacturing establishment such as yours taking advantage of the situation that the public had been crowded into due to a war to make so large profits? A. Well, ---

Q. And we come to much larger profits than we have already dealt with. You have got me onto this too soon? A. I am going to bring you a letter this afternoon from the United States Govern-

ment - talking about these profits - in which we have quoted a price on a very large order from them. When the price was given to them it was nearly \$100 a pair of men's socks. They made a typographical

error of one cent per pair and so called their order to it and they commended us for it. I merely say that nine concerns out of ten would have never have mentioned it - I am talking of pennies.

Q. The nine concerns out of ten would have taken the money? A. They might have. A. There was no such reason why

you should take advantage of typographical errors. Q. And you would be making a profit out of it? A. They could have got that. A. We will go on with these questions. They

Q. And you would be making a profit out of it? A. They could have got that. A. We will go on with these questions. They



that was income tax? A. \$355,169.58

Q. So that the Patriotic Fund got about \$14,000?

A. Yes.

Q. Preferred dividends the same; the common dividend had jumped to \$161,295. Transferred to surplus \$500,000, making the surplus account \$358,167.46

Then we came to 1919. The trading profit was \$1,523,034.82. At this time you evidently had

reached a 300% mark on the original capital invested, on the trading profit. The depreciation, 129,719.33.

Bond interest, \$100,000. Patriotic and income tax

\$429,547.33? A. \$4,547.33 was the patriotic

contribution, and \$425,000 was the war tax.

Q. The Patriotic fund only got \$4,547.33?

A. We cannot pay it and pay the government, \$425,000.

Q. I will just dwell on this year for a moment presently to see whether that is just true or not.

Preferred dividend \$64,500. Common dividends were again raised and are now \$145,163.50 - That would be

3%? A. No, they were not raised, they went down.

Q. Common dividends are down that year.

Transferred to reserve account \$500,000. You now have in reserve \$3,000,000 and in surplus account \$1,004,269.57 or a total reserve account outside of depreciation of \$4,000,000? A. Including

the surplus, eh?

Q. Yes?

A. Yes.

that was income tax? A. \$355,100.00

Q. So that the Patriotic Fund got about \$14,000

A. Yes.

Q. Preferred dividends the same; the common

dividend was jumped to \$101,000. Transferred to

surplus \$500,000, making the surplus account \$200,000

Then we come to 1912. The trading profit was

\$1,528,000.00. At this time you evidently had

reached a 300% mark on the original capital invested

on the trading profit. The appreciation, \$1,528,000.00

and interest, \$100,000. Patriotic and income tax

\$100,000.00. Total \$1,728,000.00

contribution, and \$400,000 was the war tax.

Q. The Patriotic Fund only got \$4,000.00?

A. We cannot say it was for the Government, \$4,000.00

Q. All that was left for the Government was \$4,000.00

presently to see whether that is just time or not.

Preferred dividend \$24,000. Common dividends were

again raised and are now \$140,100.00 - This would be

A. No, they were not raised, they went

Q. Common dividends were \$100,000.00

Transferred to reserve account \$200,000.00. You now

have in reserve \$2,000,000 and in surplus account

\$1,000,000.00 or a total reserve account of \$3,000,000.00

of appreciation of \$4,000,000.00

A. Yes.



Q. Or four times as much as the preferred stock issue which was issued for the acquisition of this property independent of the goodwill. What year was the goodwill written off? A. 1922.

5 . Well, we have not come to that. Then 1920, which rather reflects which the disadvantages of peace as compared with war, the trading profit is \$460,305.61. The bond interest is the same.

10 The common stock dividend is raised this year to \$209,683.50. Now, what rate was that? A. 9 $\frac{3}{4}$ %.

15 . And the surplus account is now \$1,045,391.68, together with the reserve of \$3,000,000. Then in 1921 the trading profit was \$215,049.32, which seems to have been the low point of any year under review, does it not? A. Yes, 1921 was the break.

Q. I suppose that 1920 would be accounted for in a large loss in inventory? A. Right.

20 Q. That is the year that most manufacturing establishments, made a heavy loss in inventory?

A. Yes.

25 Q. In 1921 apparently the common dividends was again raised to \$215,060? A. That was 10%.

Q. Then 1922, it was dropped down to \$172,048. A. 8%.

30 Q. In 1923 the trading profit was \$724,533.18 and the common dividend was again restored to 10% or \$215,000? A. Right.

Q. Or four times as much as the preferred stock  
issue which was issued for the redemption of this  
property independent of the goodwill. That year was  
the goodwill written off.  
A. Well, we have not come to that. Then 1930,  
which rather reflects what the disadvantages of  
paper as compared with war, the trading profit is  
\$400,000.00. The bond interest is the same.  
The common stock dividend is raised this year to  
\$1,000,000.00, and the surplus account is now \$1,000,000.00.  
together with the reserve of \$5,000,000.00. Then in  
1931 the trading profit was \$815,000.00, which seems  
to have been the low point of any year under review.  
A. Yes, 1931 was the break.  
Q. I suppose that 1930 would be accounted for  
in a large loss in inventory?  
A. Right.  
Q. That is the year that most manufacturing  
establishments, made a heavy loss in inventory?  
A. Yes.  
Q. In 1931 apparently the common dividends  
was again raised to \$215,000.00?  
A. That was  
1931.  
Q. And 1932, it was raised to \$515,000.00.  
A. Yes.  
Q. In 1932 the common dividends was again raised to \$515,000.00?  
A. Right.

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Q. 1924 the trading profit was \$545,210.75.

The common dividend was again 10% and the surplus account \$1,301,266.95. Now, what year did you tell me that the goodwill was written off? A. 1922.

Q. I should have taken that before. So in 1922 Goodwill amounting to \$2,257,953.60 was written off?

A. Yes, right.

Q. Leaving a balance in that reserve account of \$742,046.40, which I believe is still there?

A. Right.

Q. And then the surplus account is in addition to that? A. Right.

Q. Now, we come to 1925. The trading profit is \$593,030.50. The common dividend is 10% again, \$215,060. 1926 the trading profit is \$677,077.64. That year there is a write-off of bond discount of \$112,659.56 - that would be the year you did your re-financing? A. Right.

Q. And the common stock dividend is 10%? A. Yes.

Q. 1927, the trading profit was \$694,313.72.

The common dividend is now \$279,528. That was following, I take it, the split of the shares three for one? A. Yes. They paid one-quarter, first quarter they paid 4% and then --

THE COMMISSIONER: Q. 4% or \$4.00? A. Old capital, my lord, 4% and the three-quarters following \$1.00 per share.

Q. For each quarter? A. Yes, for each quarter.

Robinson 2044

... 1933 the trading profit was \$448,210.00.  
The common dividend was again 10% and the surplus  
account \$1,801,388.00. Now, what year did you tell  
me that the goodwill was written off? A. 1932.  
... I should have taken that before. So in 1932  
goodwill amounting to \$2,837,388.00 was written off.  
...  
... leaving a balance in that reserve account of  
\$448,210.00, which I believe is still there?  
A. Right.  
... And then the surplus account is in addition to  
...  
... Now, we come to 1933. The trading profit  
is \$588,080.00. The common dividend is 10% again.  
\$58,808.00. 1933 the trading profit is \$470,072.00.  
That year there is a write-off of bond discount of  
\$118,682.00 - that would be the year you did your  
...  
... and the common stock dividend is 10%? A. Yes.  
... 1934, the trading profit was \$584,218.00.  
The common dividend is now \$58,421.80. That was  
following, I take it, the split of the shares three  
for one? A. Yes. They paid one-quarter,  
first quarter they paid along then ...  
...  
... as I said, my lord, 4% and the three-quarters following

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\$1.00 per share for three-quarters.

Q. The total amount distributed was \$279,578 as against \$215, the previous year. 1928 the trading profit was \$761,962.97. The common dividend this year is \$258,072. That would be at the rate of how much per share? A. \$4.00 per share.

Q. \$4.00 per share on the new stock?

A. Yes.

THE COMMISSIONER: Q. 12% on the old stock?

A. Right.

MR. McRUER: Q. And the balance in surplus account is now \$1,684,222.22, in addition to the old-res other reserve account. Now, 1929 the trading profit was \$648,006.29. The dividend was maintained at the same rate, common dividend and the surplus account increased. 1930 the trading profit was \$299,268.48. The common dividend was maintained at the same rate, and the surplus account depreciated about \$130,000.

In 1931 the trading profit is \$255,033.44. The common dividend was maintained at the same rate, 12% and the surplus account again depreciated. In 1932 the trading profit was \$411,493.77. The common dividend was reduced to \$193,554. - that would be \$3 a share.

A. Yes.

Q. In 1933 the trading profit was \$572,511.85. The common dividends was maintained at the same rate and the surplus account was increased that year.

THE COMMISSIONER: How much?

1933

1933

\$1.00 per share for three-quarters.

The total amount distributed was \$279,378.

as against \$115, the previous year. 1933 the

Trading profit was \$761,982.97.

The common dividend

this year is \$238,072. That would be at the rate of

how much per share? A. \$4.00 per share.

\$4.00 per share on the new stock?

THE COMMISSIONER: A. 12% on the old stock?

MR. WOODEN: A. And the balance is surplus account

is now \$1,684,282.22, in addition to the 14-1/2%

other reserve account. Now, 1933 the trading profit

was \$648,006.39. The dividend was maintained at the

same rate, common dividend and the surplus account

The common dividend was maintained at the same rate,

and the surplus account depreciated about 10%,

in 1931 the trading profit is \$232,082.44. The common

dividend was maintained at the same rate, 12% and the

surplus account again depreciated. In 1932 the

The common dividend was \$115, the previous year.

as reduced to \$195,504. - that would be \$4 a share.

In 1933 the trading profit was \$761,982.97.

The common dividend was maintained at the same rate

and the surplus account was increased about 10%.



MR. McBUEN: \$1,412,706.25, independently of the other account out of which the goodwill of \$3,000,000 had been accumulated, writing off of goodwill, leaving a balance. 1934 the trading profit was \$574,591.31.

The common dividend was maintained apparently at the same rate and the surplus account \$1,429,243.63.

In 1935 the trading profit was \$595,366.09. Common dividends maintained at the same rate and the balance in surplus account of \$1,466,555.72? A. Yes.

Q. Now, Mr. Robinson, I just want to summarize the activities of this Company with you over a period of 30 years approximately from 1906 to 1935, just 30 years. On the original cash investment in this Company of approximately \$500,000, Penmans Limited have apparently made in a trading profit \$17,634,947.50. They have appropriated to machinery account \$244,518 as a reserve. They have appropriated depreciation account \$1,689,903.14. They have paid out in bond interest \$2,886,260. In bond discount \$177,630.47. War taxes and patriotic fund, \$1,464,867., of which I take it the patriotic fund received in round figures about \$50,000, - that would be about right?

A. I think so.

Q. In preferred dividends they have paid out \$1,869,371. In common dividends issued against the goodwill they have paid out \$4,795,833. They have written off the goodwill amounting to \$2,257,953.80 and they have in surplus account now, the two accounts

the other account out of which the goodwill of \$2,000  
had been accumulated, writing off of goodwill, leaving  
The common dividend was maintained apparently at the  
same rate and the surplus account \$1,400,000.00.  
In 1933 the trading profit was \$250,000.00. Common  
dividends maintained at the same rate and the balance  
in surplus account of \$1,400,000.00.  
A. Yes.  
Now, Mr. Brydick, I just want to summarize  
the activities of this company with you over a period  
of 30 years approximately from 1903 to 1933, just 30  
years. On the original cash investment in this  
company of approximately \$500,000, Pennam Limited  
have apparently made in a trading profit \$1,634,347.14.  
They have appropriated to machinery account \$244,519  
as a reserve. They have appropriated depreciation  
account \$1,322,303.14. They have paid out in bond  
interest \$2,386,250. In bond discount \$177,630.47.  
For taxes and postage paid, \$1,404,337. of which  
I take is the postage paid received in round 11 cents  
about \$20,000. - that would be about right?  
In preferred dividends they have paid out  
\$1,889,371. In common dividends issued and  
goodwill they have paid out \$4,750,000. They have  
written off the goodwill amounting to \$2,000,000.

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a balance of \$2,300,000 in round figures. That would be a fair summary of its operations, would not it?

A. That sounds all right.

5 THE COMMISSIONER: This may be the time to tell me what this company does. To tell me what they manufacture.

10 MR. McRUER: Q. Will you tell me now what the company manufacture? A. My lord, that gives you an idea. They manufacture in hosiery - silk, cashmere, mercerized and cotton for women and children. Men's fancy and plain half hose. They manufacture in underwear, rayon, cashmere, woollen and cotton knit  
15 underwear in all weights and fabrics including spring needle rib, flat knit, heavy ribbed and fleece. Outerwear, sportswear, bathing suits, lumbermen's socks mitts, blankets, tweeds, pulp and paper makers' felts and jackets. They manufacture a great diversity of  
20 products.

THE COMMISSIONER: Q. Wool, silk and cotton?  
A. Yes, my lord.

Q. Artificial silk too? A. That is rayon.

25 Q. You have that? A. Yes.

MR. McRUER: Q. Now, I want to summarize the last ten years operations. Take the years 1926 to 1935 inclusive? A. Yes, sir.

30 Q. The trading profit for that period of ten years appears to be \$5,489,619.63. There appears to have been written off for depreciation during that period,

a balance of \$2,500,000 in round figures. That would be a fair summary of its operations, would not it?  
A. That sounds all right.

THE CHAIRMAN: This may be the time to tell me what this company does. To tell me what they manufacture.

MR. McNEIL: I will tell you now what the company manufactures.

A. My firm, that gives you an idea. They manufacture in factory - silk, cashmere, mercerized and cotton for women and children. Men's fancy and plain knit wear. They manufacture in underwear, rayon, cashmere, woolen and cotton knit underwear in all weights and widths including spring needle rib, flat knit, heavy ribbed and fleece. Outerwear, sportswear, bathing suits, lumbermen's socks, mitts, blankets, towels, baby and garment makers' tools and jacks. They manufacture a great diversity of

THE CHAIRMAN: Q. Wool, silk and cotton?

A. Artificial silk too? A. That is rayon.

MR. McNEIL: A. Now, I want to summarize the last

ten years operations. Take the years 1966 to 1975

inclusive? A. Yes, sir.

A. The trading profit for that period of ten years

appears to be \$1,452,612.50. There's a note to have



\$970,000, which is just about the whole amount of that preferred stock issue. Bond interest has been paid of \$1,100,000 and bond discount of \$112,659.56. There have been paid in income taxes \$289,000. Paid in preferred dividends \$645,000. Paid in common dividends, \$2,301,104. Now, in that ten-year period in which is included five years of depression, the Company has paid out in common dividends apparently more than the total issue of the common stock which was issued as against goodwill or carried as against goodwill. That is a fair comment, is not it?

If there is anything wrong with it I want to know.

The surplus account was increased by \$81,818.29 in that period and in addition to the depreciation of \$970,000 there has been charged to Equipment Account \$197,356.26.

To operations, machinery and repairs \$515,690. To building repairs, \$142,999.87, or a total in those last three amounts of \$858,046. So that we have with the charges to the equipment, machinery and repairs and building repairs again an amount that is within \$150,000 of the total preferred stock issue of the Company. Is there any comment you want to make on that?

A. I would like to say this:

We have made out a statement - from 1926 to 1935 the percentage of net profit on the sales.

Q. We will come to deal with that probably after the adjournment.

-- The Commission adjourned at 12.30 P.M. to resume at 2 P.M.

\$270,000, which is just about the whole amount of that preferred stock issue. Bond interest has been paid of \$1,100,000 and bond discount of \$118,652.50. There have been paid in income taxes \$289,000. Paid in preferred dividends \$445,000. Paid in common dividends, \$3,301,104. Now, in that ten-year period in which is included five years of depression, the Company has paid out in common dividends approximately more than the total issue of the common stock which was issued as against goodwill or carried as against goodwill. That is a fair comment, is not it? If there is anything wrong with it I want to know. The surplus account was increased by \$1,818.29 in the period and in addition the depreciation of \$270,000 there has been charged to equipment account \$17,352.80. To operations, machinery and repairs \$10,690. To building repairs, \$142,999.87, or a total in those last three amounts of \$268,046. So that we have with the charges to the equipment, machinery and repairs and building repairs again an amount that is within \$100,000 of the total preferred stock issue of the Company. Is there any comment you want to make on that? A. I would like to say this: We have made out a statement - from 1928 to 1935 the percentage of net profit on the sales.

... will come to deal with that properly after

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AFTERNOON SESSION

-- The Commission resumed at 2 P.M.

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CHARLES B. ROBINSON, Examination

BY MR. McRUER: (Resumed):

Q. Just one matter, Mr. Robinson, before I leave this summary of earnings of Penmans Limited. Taking as our basis the computation of the capital invested in the Penman Manufacturing Company, Limited, that is the cash investment of \$448,000, the manufacturing profit in the 30 years following 1906, as we said this morning, appears to have been \$17,634,947, which would be an annual average profit over that period of \$552,000.

THE COMMISSIONER: What is the period again?

MR. McRUER: The 30 years, my lord, from 1906 to 1934, or 123% per annum.

MR. KELLOCK: On what?

MR. McRUER: On the cash investment of \$448,000

MR. KELLOCK: In 1906?

MR. McRUER: The cash invested in the company up until that time, - the cash put into it.

MR. KELLOCK: You mean the present Company?

MR. McRUER: No, in the previous company; no new cash was brought in.

Q. Then, to take it a different way, the amount

-- The Commission resumed at 2 P.M.

BY MR. MORRIS: (Resumed):

Q. Just one matter, Mr. Robinson, before I leave this summary of earnings of Bennett Limited, that as our basis the computation of the capital invested in the Bennett Manufacturing Company, Limited, that is the cash investment of \$48,000, the annual earnings profit in the 30 years following 1906, as we said this morning, a basis to have been \$17,666,947, which would be an annual average profit over the period of 30 years.

THE COMMISSIONER: That is the correct amount, Mr. Robinson, for the 30 years, my Lord, from 1906

to 1936, or 1937 per annum.

MR. KILGORE: On what?

MR. MORRIS: On the cash investment of \$48,000

MR. KILGORE: In 1906?

MR. MORRIS: The cash invested in the company

up until that time, -- the cash put into it.

MR. KILGORE: You mean the present company?

MR. MORRIS: No, in the previous company; no

cash was brought in.

Q. Then, to take it a different way, the amount



paid out in dividends on preferred stock and common stock, the reserve set up, and the surplus account, appears to be \$11,130,000. That is made up of preferred dividends of \$1869,375; common dividends of \$4,795,838; \$3,000,000 in reserve against which the goodwill was written off, and \$1,466,555.74 in surplus account. The sum of those, as I make it, is \$11,130,000 in round figures. The net amount available for disbursement as profits, after depreciation, bond interest and everything, amounts to \$371,000 annually, or an average annual earning of 82.8 per cent. on the cash investment of \$448,000. Now, is there anything wrong in that? A. Why, I don't know.

MR. KELLOCK: The witness has had no opportunity to check it.

MR. McRUER: Well, I invite you to check it, and if it is incorrect, to show me wherein it is incorrect.

MR. KELLOCK: Do you mind telling me where that \$448,000 comes from?

MR. McRUER: That is the summary of \$722,400 less the stock dividends of \$274,000, and we are giving you the benefit of all doubt in respect to the balance, and taking it as a cash investment of \$448,000.

MR. KELLOCK: Q. At what period was the capital of \$722,400?

MR. McRUER: At the time that the Company ceased

paid out in dividends on preferred stock and common  
stock, the reserve set up, and the surplus account,  
appears to be \$11,130,000. That is made up of  
preferred dividends of \$189,375; common dividends  
of \$4,795,838; \$8,000,000 in reserve against which  
the goodwill was written off, and \$1,435,355.74 in  
surplus account. The sum of those, as I make it,  
is \$11,130,000 in round figures. The net amount  
available for disbursement as profits, after dis-  
tribution, bond interest and everything, amounts  
to \$201,000 annually, or an average annual earning  
of 88.8 per cent. on the cash investment of \$246,000.  
Now, is there anything wrong in that?  
I don't know.  
MR. KILLICK: The witness has had no opportunity  
to check it.  
MR. MONTAGUE: Well, I invite you to check it, and if  
it is incorrect, to show me wherein it is incorrect.  
MR. KILLICK: Do you mind telling me where that  
\$246,000 came from?  
MR. MONTAGUE: That is the sum of \$228,400  
less the stock dividends of \$174,000, and we are  
giving you the benefit of all doubt in respect to the  
balance, and taking it as a cash investment of  
\$42,000.  
MR. KILLICK: At what period was the cash of  
\$42,000?

MR. MONTAGUE: At the time that the company came

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operation.

THE WITNESS: The 31st December, 1905.

5 MR. McRUER: Yes, the 31st December, 1905, as shown  
in the balance sheet and minute book on the minutes  
of that date, which record the sales of the company  
to the new company. So I take it we are on sound  
ground there, apparently.

10 MR. EELLOCK: Your figure is not quite right,  
if that is the way you arrive at it. It should be  
\$468,000. Oh no, that is right, \$448,000.

MR. McRUER: Yes, \$448,000.

15 Q. Well now, Mr. Robinson, I suppose you are not  
aware of the tariff protection the Company had over  
that period of years? A. No.

Q. That does not come within your business at all?  
A. No.

20 Q. Now, I would like to know if you can help  
me on this: According to the Minute book of the  
Penmans Company Limited, on the 2nd of November, 1906,  
and that was a special general meeting that authorized  
the transfer of the assets of the Company to the  
25 new Company, the following are stated to be present:

"Duncan M. Stewart,  
George E. Wills,  
W. Allan,  
C.H. Wale,  
Geo. S. Turner,  
Charles G.R. Sulley,  
Albert H. Green,

30 being all the shareholders of the Company,  
and Mr. O.R. Whitby, Secretary-Treasurer  
of the Company."





Apparently at that time the stock of the company was in the hands of seven gentlemen. A. Well, I think the explanation of that is, that Mr. D.M. Stewart, the President, was acting for---

5 Q. Acting for Montreal interests? A. I think so.

10 A. Well, what I would like to find out, if I can, is whether the Montreal interests had brought up the shares of the Penman Manufacturing Company, Limited, and had sold out the business then to the new company and made a profit in between. A. No. I think, as far as I can make out those minutes, the Penman Manufacturing Company Limited, was sold to D.M. Stewart.

15 Q. The Penman Manufacturing Company Limited was sold to D.M. Stewart? A. That is as it would appear there.

20 Q. So that the price that D.M. Stewart paid for Penman Manufacturing Company Limited, and then the price that he got for it would be something you could not tell me about? A. No.

25 Q. Now, who is D.M. Stewart? A. Well, Mr. D.M. Stewart was either the president, or the general manager - I think he is general manager - of the Sovereign Bank, in Montreal.

30 Q. The Sovereign Bank? A. Yes, the Sovereign Bank, now defunct.

Q. Is he still living, do you know? A. Oh, no.

Apparently at that time the stock of the company was  
in the hands of seven gentlemen. A. J. I.  
think the explanation of that is, that Mr. B. J.  
Stewart, the president, was acting for---  
Q. Acting for Montreal investors? A. I think  
so. Well, what I would like to find out, if I can,  
is whether the Montreal investors had brought up the  
shares of the company manufacturing Company, Limited,  
and had sold out the business then to the new company  
and made a profit in between. A. No. I believe  
as far as I can make out those shares, the company  
Manufacturing Company Limited, was sold to B. J.  
Stewart.  
A. The company Manufacturing Company Limited  
was sold to B. J. Stewart?  
A. Yes.  
Q. So that the price that B. J. Stewart paid  
for the Manufacturing Company Limited, and then  
the price that he got for it would be something you  
could not tell us about? A. No.  
Q. Now, who is B. J. Stewart?  
A. B. J. Stewart was either the president, or the general  
manager - I think he is general manager - of the  
Manufacturing Company, Limited.  
Q. The Government Bank?  
A. Yes, the Government  
Bank, now defunct.  
Q. Is he still living, do you know?  
A. No.

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Q. He is not? A. No.

Q. Do you know if Sir Charles Gordon was in this at that time? A. No.

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Q. You don't know that? A. No, I don't know.

Q. I notice that a large number of transfers of shares are recorded to D.M. Stewart, in trust, so that all Mr. Penman's stock went to Mr. D.M. Stewart, in trust? A. Yes.

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Q. So that, apparently D.M. Stewart had acquired the stock in the Penmans Manufacturing Company Limited, and then sold it to the new company in return for shares in the new company, as we heard this morning.

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A. It would look that way by the Minute book.

Q. And can you tell me where any of these gentlemen that are named in here, - Wills, Allan, Wale, Turner, Sulley, or Green, -- A. No, I don't know who they are.

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Q. I notice they all acquired stock from Mr. Penman, so that apparently it was some kind of a syndicate, or something of that sort? A. Acting for other people.

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Q. Acting for other people? A. Yes.

Q. Mr. Howson has just pointed out a memorandum, or a part of the minutes of a meeting of the 13th June, 1906, appearing at Page 156, which throws some light on it, - a meeting of the board of the Penman Manufacturing Company. It reads:

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Q. He is not?

Q. Do you know if Sir Charles Gordon was in

this at that time?

Q. You don't know that?

Q. I notice that a large number of transfers of shares are recorded to D.M. Stewart, in trust, so that all Mr. Bennett's stock went to Mr. D.M. Stewart,

is that?

Q. So that, apparently D.M. Stewart had acquired

the stock in the Bennett Manufacturing Company Limited and then sold it to the new company in return for shares in the new company, as we heard this morning.

Q. It would look that way by the minute book.

Q. And can you tell us where any of these gentlemen

that are named in here, - Mills, Wilson, Tupper, Bulley, or Green, --

Q. I notice they all acquired stock from Mr. Bennett,

so that apparently it was some kind of a syndicate,

or something of that sort?

people.

Q. Acting for other people?

Q. Mr. Lawson has just pointed out a memorandum,

it is part of the minutes of a meeting of the 15th June, 1908, appearing at page 156, which throws some light

on it, - a meeting of the board of the Bennett Manu-

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"At the meeting of the Board of the Penman Manufacturing Company held this day at the Office of Messrs. Long & Bisby, there were present Mr. John Penman, President in the Chair, Messrs. Long, Newberry and Crerar. Mr. D.M. Stewart was also present and intimated that it was the intention of himself and those associated with him to apply for a Charter of Incorporation for a new Company with an authorized capital of Six million \$6,000,000. to take over the business and assets of this Company. He asked this Company to give him a written consent to the use of the name "Penman" in the corporate name of the new Company.

Moved by Mr. Long, seconded by Mr. Newberry that this be agreed to and Mr. Penman be authorized to sign on behalf of the Company such consent, as requested. Carried.

Mr. D.M. Stewart gave a written covenant that in the event of present negotiations falling through he would procure the surrender or assignment of the new Charter to the Directors of the Penman Manufacturing Company."

And that issued by Mr. John Penman.

And then there is another minute of the 4th September, 1906, which reads as follows:

"Mr. Penman presented the following report:  
To the Directors of

At the meeting of the Board of the

at the Office of Messrs. Long & Bieby,

there were present Mr. John Penman, President  
in the Chair, Messrs. Long, Newberry and Ormer.  
Mr. D. M. Stewart was also present and it was  
stated that it was the intention of himself and those  
associated with him to apply for a Charter of  
Incorporation for a new company with an  
authorized capital of six million \$6,000,000.  
to take over the business and assets of this  
Company. He asked this Company to give him a  
written consent to the use of the name "Penman"  
in the corporate name of the new Company.

Moved by Mr. Long, seconded by Mr. Newberry,  
that this be agreed to and Mr. Penman be  
authorized to sign on behalf of the Company  
such consent, as requested. Carried.

Mr. D. M. Stewart gave a written covenant  
that in the event of present negotiations falling  
through he would procure the assignment or  
assignment of the new Charter to the directors  
of the Penman Manufacturing Company.  
and that assigned by Mr. John Penman.

and then there is another minute of the 4th September,  
1900, which reads as follows:



Gentlemen:

Saturday morning I received a telegram and on Monday a letter from the Sovereign Bank in Toronto saying that \$250,000. had been deposited to the credit of John Penman and P.D. Crerar in Trust on instructions from Mr. D.M. Stewart, - the same to apply on the purchase of The Penman Manufacturing Company.

According to terms of Agreement, on payment of this \$250,000 two Directors were to retire from the Board, and in their place, - as requested by Mr. D.M. Stewart, - he and Mr. R. Rhomson, General Manager of the Company, were to be appointed.

It is necessary that sufficient stock be transferred to Mr. Stewart for him to qualify as a Director, and this will require to be attended to to-day -- Mr. R. Thomson is already a shareholder of the Company.

We have received replies from shareholders representing 2743 stock, and 2743 shares have sent in their Power of Attorney, and 2725 shares have sent in their certificates. One of the Directors, Mr. P.D. Crerar, holds certificates for 273 shares, which together with shares of the Directors makes up 6876 shares.

All the shareholders have replied in the negative to the question re joining in the guarantee to the Bank of Montreal re the

Gentlemen:

Saturday morning I received a telegram and on Monday a letter from the Dominion Bank in Toronto saying that \$500,000 had been deposited to the credit of John Thomson and R.D. Greer in trust on instructions from Mr. D.M. Stewart, - the same to apply on the purchase of the Thomson Manufacturing Company. According to terms of agreement, on payment of this \$500,000 two Directors were to retire from the Board, and in their place, - as requested by Mr. D.M. Stewart, - he and Mr. R. Thomson, General Manager of the Company, were to be appointed. It is necessary that sufficient stock be transferred to Mr. Stewart for him to qualify as a Director, and this will require to be attended to to-day -- Mr. R. Thomson is already a shareholder of the Company. We have received replies from shareholders representing 2743 stock, and 2743 shares have sent in their power of attorney, and 2735 shares have sent in their certificates. One of the Directors, Mr. R.D. Greer, holds certificates for 273 shares, which together with shares of the Directors makes up 2876 shares. All the shareholders have replied in the negative to the question as joining in the

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Paris Plow Co."

and so on.

Q. Mr. Thomson is dead now, is he not?

A. R. Thomson?

Q. Yes? A. No.

Q. He is still living? A. Very much.

Q. In Paris? A. Yes.

Q. He can probably tell us all about this?

A. About what?

Q. About how this reorganization took place?

A. How could I.

Q. I say he probably could? A. Oh yes,

certainly; I guess he could. His name is mentioned  
in the Minutes.

Q. Is he connected with the mill now at all?

A. Oh, no.

Q. Well now., I take it that probably Mr. Lundy  
is more familiar with wage matters than you are.

A. Yes.

Q. And he will take this up with us? A. Yes.

Q. Well then, there is something that you wanted  
to take up with us? A. Yes. You were speaking

about the tremendous profits, and I have got here  
over the ten-year period you were speaking about-

BY THE COMMISSIONER: Q. That is, the last ten  
years? A. Yes, my lord, from 1926 to 1935.

You spoke about it this morning, Mr. McRuer.

"Paris T. & Co."

and so on.

Mr. Thompson is dead now, is he not?

A. R. Thompson?

Q. Yes? A. No.

Q. He is still living? A. Very much.

Q. In Paris? A. Yes.

Q. He can probably tell us all about this?

A. About what?

Q. About how this reorganization took place?

A. How could I.

Q. I say he probably could? A. Oh yes.

certainly; I guess he could. His name is mentioned

in the papers.

Q. Is he connected with the mill now at all?

A. Oh, no.

Q. Well now, I take it that probably Mr. Lindy

is more familiar with wage matters than you are.

A. Yes.

Q. And he will take this up with us? A. Yes.

Q. Well then, there is something that you want

to take up with us? A. Yes. You were speaking

about the tremendous profits, and I have got here

over the ten-year period you were speaking about.

BY THE COURT: Q. That is, the last ten

years? A. Yes, my lord, from 1926 to 1935.

Q. Now, would it be correct to say that the



MR. McRUER: Yes.

5 A. Well, I have prepared a memorandum here showing the amount of business that we did each year during that period, and the net profit, and the percentage of profits to the sales?

Q. Yes. A. In 1926 our sales were \$6,777,400. Our net profit was \$442,077, equal to 6.52% on sales.

10 Q. Yes? A. And, in 1927, sales were \$6,937,038. New profits were \$449,314, equal to 6.48% on sales.

15 Q. Yes? A. In 1928, sales were \$7,122,864; the net profit was \$466,965, equal to 6.56 % on sales.

Q. Yes? A. In 1929, sales were \$6,816,106. Net profits were \$413,007, equal to 6.06% on sales.

Q. Just excuse me a minute. That is?

A. 1929.

20 Q. And what is the percentage? A. 6.06% on sales.

Q. Thank you? A. In 1930 sales were \$5,982,932. Net profit \$189,263, equal to 3.16% on sales.

25 1931, sales were \$5,352,128. Net profits, \$145,033., equal to 2.71 per cent. on sales.

1932, sales were \$4,766,707. Net profits \$187,494, equal to 3.93% on sales.

30 1933, sales were \$5,005, 103. Net profits were \$277,512, equal to 5.55%.

MR. ROBERT: Yes.

A. Well, I have prepared a memorandum here

showing the amount of business that we did each year

during that period, and the net profit, and the

percentage of profits to the sales?

Q. Yes. A. In 1926 our sales were \$6,777,400.

Our net profit was \$443,077, equal to 6.54% on sales.

Q. Yes? A. And, in 1927, sales were

\$6,937,000. Net profits were \$457,514, equal

to 6.59% on sales.

Q. Yes? A. In 1928, sales were \$7,119,804.

Net profit was \$460,968, equal to 6.48% on

Q. Yes? A. In 1929, sales were \$6,516,100.

Net profits were \$413,007, equal to 6.34% on sales.

Q. Just excuse me a minute. That is?

Q. And what is the percentage? A. 6.00%

on sales.

Q. Thank you? A. In 1930 sales were

\$6,982,500. Net profit \$169,268, equal to 2.42%

on sales.

1931, sales were \$6,338,188. Net profits,

\$145,036, equal to 2.29% on sales.

1932, sales were \$6,750,707. Net profits

\$187,444, equal to 2.78% on sales.

1933, sales were \$6,003,103. Net profits were

\$277,518, equal to 4.62%.



Q. Just a moment, please, what was the net profit in 1932? A. \$187,494.

Q. There must be something wrong there?

A. I notice you take the bad debts off the gross profits.

Q. That leaves \$411,493? A. Well, if you add that to your bad debts, to your gross, it would be \$450,000, would it not?

MR. HOWSON: I thought you said, \$189,000.

THE WITNESS: No, no, that is the net profit, \$187,494.

BY MR. McRUER: Q. All right, 1933.? A. Sales were \$5,005,103. Net profit \$277,512, equal to 5.55 % on sales; 1934, sales were \$5,193,194. Net profits \$274,591, equal to 5.29% on sales.

1935, sales were \$5,230,935. Net profits \$295,366, or 5.64% on sales.

Q. Well, Mr. Robinson -- A. That is not a big margin, is it, of net profit?

Q. If you are asking me a question, Mr. Robinson, I should say it was an enormous margin, as the result indicated. Now then, just take this: A man invests money in bonds. On his investment these days he gets about 3% per annum, and lucky if he gets that? A. That is right.

Q. And what you are telling us is, that this Company has been making, through these years of depression, from 5.29 % to 6.52 % net profit on sales. That is the turnover of sales, it is not net profit per

Just a moment, please, what was the net

profit in 1938? A. \$187,494.

There must be something wrong there?

A. I notice you take the bad debts off the gross profit

What leaves \$411,423? A. Well, if you add

that to your bad debts, to your gross, it would be

\$400,000, would it not?

MR. ROBINSON: I thought you said \$100,000.

THE WITNESS: No, no, that is the net profit.

BY MR. ROBINSON: All right, 1938? A. Sales

were \$5,000,102. Net profit \$277,813, equal to

5.55% on sales; 1934, sales were \$5,153,194. Net

profits \$274,521, equal to 5.32% on sales.

1935, sales were \$5,230,923. Net profits

\$230,306, or 4.41% on sales.

A. That is not a big

margin, is it, of net profits?

A. If you are asking me a question, Mr. Robinson,

I should say it was an enormous margin, as the results

indicated. Now then, just take this: A man

invests money in bonds. On his investment these

days he gets about 3% per annum, and lucky if he gets

that? That is right.

A. And what you are telling me is, that this

company has been making, through these years of 50-

years, that is what I am saying, that is what

That is the turnover of sales, it is not net profit per



annum, or anything of that sort, it is net profit on your sales; that is right? we have got left, yes.

A. That is what

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Q. And the result of that has been, that you are able to make about 80% on the money actually invested.

MR. KELLOCK: In one year?

MR. McRUER: 80% per annum.

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Q. So I ask you, do you not think --

MR. KELLOCK: 80% per annum.

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BY MR. McRUER: Q. I ask you, Mr. Robinson, do you not think it is an enormous profit, having regard to what other people in the community can make?

MR. KELLOCK: What management is there in sitting down drawing bond interest and clipping coupons?

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THE WITNESS: You would not consider 5% an extraordinary profit on sales, would you?

BY MR. McRUER: Q. An industry can carry on very profitably at 2% net profit? A. On sales?

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Q. At 2% net profit on sales, can it not; it is net profits we are dealing with, not gross profits, that is, net profits after bond interest is paid, operating expenses are paid, depreciation is paid, after everything is taken into consideration--

THE COMMISSIONER: After taxes.

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MR. McRUER: Q. After taxes are paid, after income tax is paid, all that sort of thing, and yet you show

Robinson

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annum, or anything of that sort, it is not profit

on your sales; that is right? A. That is what

we have got left, yes.

. And the result of that has been, that you

are able to make about 60% on the money actually

invested.

MR. KELLICK: In one year?

MR. ROBINSON: 60% per annum.

. So I ask you, do you not think --

MR. KELLICK: 60% per annum.

BY MR. ROBINSON: A. I ask you, Mr. Robinson,

do you not think it is an enormous profit, having

regard to what other people in the community can make

MR. KELLICK: That management is there

in sitting down drawing bond interest and shipping

commodities.

THE WITNESS: You would not consider 60% an enormous

ordinary profit on sales, would you?

BY MR. ROBINSON: A. An industry can hardly do very

profitably at 25% net profit? A. Oh, yes.

. At 25% net profit on sales, can it not; it is

net profits we are dealing with, not gross profits,

that is, net profits after bond interest is paid,

operating expenses are paid, depreciation is paid,

after depreciation is taken into consideration--

THE WITNESS: THAT IS RIGHT.

MR. ROBINSON: A. After taxes are paid, after interest

has been paid, all that is left of the net profit is

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a net profit of  $5\frac{1}{2}\%$  to  $6\frac{1}{2}\%$  per annum in years of depression.

MR. KELLOCK: That is not correct, Mr. McRuer.  
Start with 1930,

THE COMMISSIONER: Well, start with 1930.

MR. McRUER: Oh yes, I see. I beg your pardon.

THE WITNESS: In 1930 we could not afford depreciation.

MR. KELLOCK: There was no depreciation in that year at all.

THE WITNESS: No depreciation at all in 1930.

BY MR. McRUER: Q. Oh well, you have written off over \$2,000,000 of good will, you did not need depreciation? A. Yes, but the point is, Mr. McRuer; take 1930, supposing we had taken the usual deduction for depreciation, where do you think you would have landed? You certainly would not have made 3.16% on our sales.

Q. Well, just let us see what you did: You paid \$258,000, in common stock dividends on a common stock that was issued against goodwill? A. That is all right, but I am speaking about the profits that we made in 1930.

Q. You are saying you could not afford depreciation? A. That is right.

Q. I am getting kind of educated in high finance recently? A. Well, I am very glad you are.

Q. Now, you say you could not afford depreciation

a net profit of \$15 to \$20 per annum in years of depression.

MR. KILLOCK: That is not correct, Mr. Robinson.

Start with 1930.

THE COMMISSIONER: Well, start with 1930.

MR. KILLOCK: Oh yes, I see. I beg your pardon.

THE WITNESS: In 1930 we could not afford de-

preciation.

MR. KILLOCK: There was no depreciation in that

year at all.

THE WITNESS: No depreciation at all in 1930.

MR. KILLOCK: Oh well, you have written

off over \$2,000,000 of good will, you did not need

depreciation? A. Yes, but the point is, Mr.

McNair, take 1930, suppose we had taken the usual

deduction for depreciation, where do you think you would

have landed? You certainly would not have made

a loss on our side.

A. Well, just let us see what you did. You paid

\$1,000,000 for the goodwill, and you paid \$1,000,000 for the

that was issued against goodwill? A. That is

all right, but I am speaking about the profits that

we made in 1930.

A. You are saying you could not afford depreciation

A. That is right.

A. I am getting kind of educated in high finance

now, I am not sure, I am not sure.

Now, you say you could not afford depreciation



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Robinson

in 1930? A. Yes.

Q. And you paid, - even giving your common stock the value that you claim for it, as against goodwill you paid 12½% dividends, giving it 100% value, and two million some odd thousand dollars, for which we agree there is nothing but good will set up in your books, and yet you say you could not afford depreciation? A. That is right, not on the year's earnings.

Q. You could not afford depreciation? A. Well, supposing we had, the percentage of profit on sales would have been very much less, would it not?

Q. If this company was capitalized on the basis of the original capital put into it, you could have written off the depreciation; you could have paid huge dividends on that capital--- A. You are going back 50 years, are you not?

Q. Oh, no, I am not. We are going back to how the company was built up and what is in it, and I do not think by spreading it out in large capitalizations that we are going to be deceived?

A. Oh, we are not trying to deceive you. For the last thirty years we did \$161,000,000 worth of business.

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Robinson

in 1920?

A. Yes.

Q. And you paid, - even giving your common stock the value that you claim for it, as against goodwill you paid 100% dividends, giving it 100% value, and two million some odd thousand dollars, for which we agree there is nothing but good will set up in your books, and yet you say you could not afford de-

preciation? A. That is right, not in the year.

Q. Certainly.

Q. You could not afford depreciation? A. Well,

supposing we had, the percentage of profit on sales

would have been very much less, would it not?

Q. If this company was capitalized on the basis

of the original capital but later on, you could have

written off the depreciation; you could have paid

large dividends on that capital? A. You are going

back 50 years, are you not?

Q. Oh, no, I am not. We are going back to how

the company was built up and what is in it, and I

do not think by spreading it out in large capitalization

that we are going to be deceived?

A. Oh, we are not trying to deceive you. For the

last thirty years we did \$161,000,000 worth of

business.



Q. \$161,000,000 worth of business? A. Yes, we should get something out of that, surely.

Q. Quite so; you made \$17,634,000 out of it?

A. Well, according to your calculation.

Q. Well, it is just the sum of your own figures, it is your own figures, it is not my calculation, and throughout that time it was an industry that enjoyed the benefit of protection, did it not?

A. I don't know.

Q. You don't know? A. I don't know to what extent.

Q. You know it was a protected industry?

A. There must have been some protection, of course.

Q. Well now, is there any other statement that you want to put before us in connection with the earnings of the company?

A. Yes. Some few years ago I tried to get hold of the instances relating to the old Penman Manufacturing Company.

Q. To which?

A. The old Penman Manufacturing Company. I just discovered this thing here. You were talking about the capital invested in the Penman Manufacturing Company this morning.

Q. Yes?

A. Now, here is a note here. It says, Penman Manufacturing Company, Limited, incorporated on January 9th, 1882 with a capital of \$250,000, John Penman, President and Managing Director.

Q. That was the authorized capital? A. Yes, the authorized capital.

Q. Not the issued capital?

A. In July, 1892

Q. \$151,000 worth of business? A. Yes, we

should get something out of that, surely.

A. Quite so; you made \$17,684,000 out of it?

A. Well, according to your calculation.

A. Well, it is just the sum of your own figures.

it is your own figures, it is not my calculation.

and throughout that time it was an industry that en-

joyed the benefit of protection, did it not?

A. I don't know.

A. You don't know? A. I don't know to what

extent.

A. You know it was a protected industry?

A. There must have been some protection, of course.

A. Well now, is there any other statement that you

want to put before me in connection with the earnings

of the company? A. Yes. Some few years

ago I tried to get hold of the insurance relating

to the old Fenner Manufacturing Company.

A. The old Fenner Manufacturing

ing Company. I just discovered this thing here. You

were talking about the capital invested in the Fenner

Manufacturing Company this morning.

A. Yes? A. Now, there is a note here.

It says, Fenner Manufacturing Company, Limited, incor-

porated on January 9th, 1882 with a capital of

\$100,000 (paid up \$50,000) and working capital

A. Yes? A. That was the authorized capital?

the authorized capital.

A. Not the issued capital?

A. In 1882, 1883



the capital stock was increased to one million.

BY THE COMMISSIONER: Q. When was the increase?

A. From 250,000 to one million.

Q. When? A. 1892, my lord. The

development -- I have got some interesting information here, sir.

BY MR. McRUER: Q. I think you made a mistake in a figure, of the original capital. I think you said \$2,250,000 -- A. Two million?

Q. \$2,250,000.

THE COMMISSIONER: No, \$250,000.

THE WITNESS: It was \$250,000.

BY MR. McRUER: Q. It is \$250,000 but I thought you said \$2,250,000; it may have been my mistake.

A. You are dealing in large figures this afternoon.

Q. Oh yes, I have not been in such big figures for years.

MR. KELLOCK: My friend is out of his depth.

THE WITNESS: Mr. McRuer, this Penman Manufacturing Company, marvellous development had taken place.

In January, 1883 they acquired the Peninsula Knitting Mills, Thorold for \$70,000; in 1893 they acquired

the Norfolk Knitting Company, Port Dover, for \$72,500 --

Q. That would be paid out in cash? A. Yes, I think so.

Q. It must have been because it isn't reflected in the stock issue? A. In 1903 they acquired

the Canadian Woollen Mills Company Limited at St.

Hyacinthe for \$250,000 plus \$151,000 for stock on hand.

the capital stock was increased to one million.

BY THE COMMISSIONER: Q. When was the increase?

A. From \$50,000 to one million.

Q. When? A. 1893, my lord. The

development -- I have got some interesting information

here, sir.

BY MR. MONROE: Q. I think you made a mistake in

a figure, of the original capital. I think you

said \$2,250,000 -- A. Two millions?

Q. \$2,250,000.

BY MR. MONROE: Q. It is \$250,000 but I thought

you said \$2,250,000; it may have been my mistake.

A. You are looking in large figures this afternoon.

Q. Oh yes, I have not been in such big figures

for years.

MR. KILGICK: My friend is out of his depth.

THE WITNESS: Mr. Monroe, this Penner Manufacturing

Company, established in 1888, was

in January, 1888 they acquired the Peninsula Knitting

Mills, Toronto for \$70,000; in 1893 they acquired

the Norfolk Knitting Company, Port Dover, for \$12,500

Q. That would be paid out in cash? A. Yes, I

think so.

Q. It must have been because it isn't reflected

in the stock issue? A. In 1903 they acquired

the Canadian Woolen Mills Company Limited at \$2.

Q. That would be \$2,250,000 plus \$12,500 for stock on

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There is another \$250,000 there --

Q. They evidently paid it in cash, too. It is not new capital brought into it.

A. Well, I thought --

5 Q. Don't let me interrupt you because we want to get the whole history. A. I am trying to assist you, as a matter of fact. It occurred to me when I saw this that if you considered including 70,000 in the mill they acquired at Thorold why not include these?

10 Q. No, you misunderstood us. We were only guessing at what was the difference between the \$772,000 -- \$722,000, the capital stock that was outstanding in 1906, and how much of that was cash, but Mr. Howson has pointed out to us the correct way of arriving at it is to deduct the amount of the stock dividend of \$274,100 and we get the capital investment. That is quite simple.

20 THE COMMISSIONER: 448 --

MR. McRUER: 448, yes, my lord, that is quite accurate. The other transactions were only exchanges of assets. You made some money and you bought some more property. A. Well, I understood you were including in your capital the \$70,000 that you came across there.

25 Q. No, we had thought we ought to do that. Stock was issued for the \$70,000 but not for the others apparently, so it doesn't make any difference. We have arrived by the method of subtraction at the

There is another \$250,000 there --

Is that right? Yes, it is. Yes, it is.

Not any other money there is.

A. Well, I thought --

Q. Don't let me interrupt you because we want

to get the whole history. A. I am trying to

assist you, as a matter of fact. It occurred to

me when I saw this that if you considered including

\$250,000 in the mill they acquired at Thorold why not

include these?

Q. No, you misunderstood me. We want only

guessing at what was the difference between the

\$725,000 -- \$725,000, the original stock that was

outstanding in 1906, and how much of that was cash,

but Mr. Hanson has pointed out to us the correct way

of arriving at it is to deduct the amount of the

stock dividend of \$274,100 and we get the capital

investment. That is quite simple.

THE COMMISSIONER: 448 --

MR. ROBINSON: 448, yes, my lord, that is quite

accurate. The other transactions were only ex-

changes of assets. You made some money and you

thought some more property. A. Well, I thought

that you were including in your capital the \$250,000

that you came across there.

Q. No, we had thought we ought to do that. Stock

was issued for the \$250,000 but not for the other

apparently, so it doesn't make any difference. We

have arrived by the method of subtraction of the

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Robinson, that arose out of my examination that you think the attention of the Commission should be directed to? A. No, I don't think so, sir.

BY MR. KELLOCK: Q. Mr. Robinson, at the time of  
incorporation of the present company in 1906 the  
total, as you told his lordship, at that time was  
made up of 15,000 preferred shares --

MR. KILLOCK: Preferred shares of \$100 par value;  
is \$1,500,000 par value and the 25 thousand  
non shares of \$100 --

A. 25,000 shares, yes.

A. Authorized.

A. Right.

A. Night.

Q. And that price was paid in this way, as you

each investment, and give all benefit of any doubt  
in regard to it. Is there anything else, Mr.

Robinson, that arose out of my examination that you  
think the attention of the Commission should be

directed to? A. No, I don't think so, sir.

THE COMMISSIONER: Mr. Robinson?

BY MR. KILBOURN: Mr. Robinson, at the time of

the incorporation of the present company in 1906 the  
capital, as you told his lordship, at that time was

made up of 12,500 preferred shares --

THE COMMISSIONER: Yes.

BY MR. KILBOURN: Preferred shares of \$100 per share;

that is \$1,250,000 per share and the 25 thousand

common shares of \$100 --

BY THE COMMISSIONER: Is that right?

A. 25,000 shares, yes.

BY MR. KILBOURN: \$25,000, my lord; that other

figure is wrong. 25,000 common shares, \$2,500,000

or a total share capital of \$4,000,000; is that

right? A. Authorized.

A. Authorized, that is what I am dealing with

for the moment. Then, there were bonds apparently

authorized shortly after the incorporation or about

the same time -- \$1,000,000.

A. Then, when the present company took over from

the preceding company the bonds which it was to

for these bonds was \$1,000,000; is that right?

A. Right.

A. And that is the case in this way, as you



have said, \$1,000,000 in preferred stock; that would leave \$500,000 in preferred shares in the company's treasury. The authorized preferred shares were \$1,500,000. The old company got \$1,000,000 only of the preferred shares so that would leave \$500,000 in preferred shares in the treasury of the new company?

5 A. \$500,000 worth.

Q. Dollars worth; and the common stock included in the purchase price was two million and that also would leave in the treasury of the new company \$500,000 worth of common stock?

10 A. Right.

Q. The bonds which the old company got were one million, five hundred thousand and that again would leave \$500,000 worth of bonds which the new company had available after paying the purchase price for the assets of the old company. Do you follow me there? The authorized bond issue was two million. The old company only got one million, five hundred thousand of that, so up to that point --

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A. Well --

Q. Just up to that point, that would leave, would it not, \$500,000 available to the new company?

A. Yes.

Q. That, therefore, left the new company with \$500,000 in each of preferred and common and \$500,000 worth of bonds, but the new company had to pay \$500,000 in cash?

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A. Yes.

Q. So if you are right in your assumption that the balance of the bonds was used for that purpose it would leave the new company with one million dollars

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leave \$500,000 in preferred shares in the company's treasury. The authorized preferred shares were \$1,500,000. The old company got \$1,000,000 only of the preferred shares so that would leave \$500,000 in preferred shares in the treasury of the new company. A. \$500,000 worth.

Q. Bearer worth; and the common stock included in the purchase price was two million and that also would leave in the treasury of the new company \$500,000 worth of common stock? A. Right.

Q. The bonds which the old company got were one million, five hundred thousand and that again would leave \$500,000 worth of bonds which the new company had available. That being the purchase price for the assets of the old company. Do you follow me there? The authorized bond issue was two million. The old company only got one million, five hundred thousand of that so up to that point --

A. Well --

Q. That up to that point, that would leave, would it not, \$500,000 available to the new company? A. Yes.

Q. And, therefore, left the new company with \$500,000 in each of preferred and common and \$10,000,000 of bonds, but the new company had no cash.

Q. So if you are right in your assumption that the balance of the funds was used for that purpose it would leave the new company with one million dollars



in its treasury equally divided between preferred and common stock; is that right? A. Yes.

Q. After it acquired the assets of the Penman Company, the Penman Manufacturing Company?

5 A. Two millions?

Q. One million.

MR. McRUER: It was not in the treasury.

MR. KELLOCK: It was in the treasury; where else was it.

10 THE COMMISSIONER: You mean the stock was there, the authority to issue it was there.

MR. KELLOCK: The stock was still in the treasury of the company.

MR. McRUER: Unissued stock.

15 MR. KELLOCK: Treasury shares; now, do you know what happened to the one million of treasury stock, the five hundred thousand preferred and the five hundred thousand common after that? Was that issued for cash or for what consideration, do you know?

20 A. I cannot answer that.

MR. McRUER: They are not issued.

MR. KELLOCK: Wait a minute, have they been issued, Mr. Robinson?

25 A. Well, there is still four hundred and twenty-five thousand authorized of preferred stock still.

Q. Unissued? A. Yes.

BY THE COMMISSIONER: Are you quite right there -- oh, preferred stock, I beg your pardon, you are right.

30 A. Yes.

BY MR. KELLOCK: Q. There is still \$425,000 of

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in its treasury equally divided between preferred and common stock; is that right?

Q. After it acquired the assets of the former company, the Penman Manufacturing Company?

A. Two millions?

Q. One million.

MR. MORRIS: It was not in the treasury.

MR. KILLICK: It was in the treasury; where else

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THE COMMISSIONER: You mean the stock was there.

the authority to issue it was there.

MR. KILLICK: The stock was still in the treasury

of the company.

MR. MORRIS: Preferred stock.

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MR. KILLICK: Treasury shares; now, do you know

what happened to the one million of treasury stock,

the five hundred thousand preferred and the five

hundred thousand common after that? Was that issued

for cash or for what consideration, do you know?

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MR. MORRIS: They are not issued.

MR. KILLICK: Wait a minute, have they been issued

MR. MORRIS: A. Well, there is still

four hundred and twenty-five thousand authorized of

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preferred stock still.

Q. Issued?

A. Yes.

BY THE COMMISSIONER: Are you quite right there --

oh, preferred stock, I see your reason, you are right.

A. Yes.

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BY MR. KILLICK: There is still \$425,000 of



preferred stock unissued? A. Yes.

Q. And the other \$75,000, what happened to that?

A. The one hundred and what?

Q. The other \$75,000? A. Yes, the \$75,000

5 was a part of the purchase price of the Anchor Knitting Company at Almonte.

Q. Yes; now, what happened to the five hundred thousand of the treasury shares of the common stock left in the treasury on the completion of the purchase of the assets of the Penman Manufacturing Company; are they still there? A. The common stock?

Q. Yes? A. Well, there was one hundred and fifty thousand, again, issued for the Anchor Knitting Company.

15 Q. Alright, that would leave three hundred and fifty --

THE COMMISSIONER: Thousand dollars worth? You are talking of dollars?

20 MR. KELLOCK: Talking of dollars.

MR. McRUER: Then they were split three for one and they are still there.

MR. KELLOCK: That is years afterwards.

A. That is right, it is still there.

25 Q. It is still unissued? A. Certainly.

Q. Now, for the five million dollars that the old company got for its assets what did the new company get in the way of assets? My friend is only interested in cash. I want to know what assets the new company got, and, by the way, Mr. Robinson, in carrying

Q. And the other \$75,000, what happened to that?

A. The one hundred and thirty

Q. The other \$75,000?

A. Yes, the \$75,000

was a part of the purchase price of the Anchor

Knitting Company of Limousne.

Q. Yes; now, what happened to the five hundred

thousand of the treasury shares of the common stock

left in the treasury on the completion of the purchase

of the assets of the Penman Manufacturing Company;

and they still there?

A. Yes? A. Well, there was one

hundred and thirty thousand, again, issued for the

Anchor Knitting Company.

Q. All right, that would leave three hundred and

thirty --

Q. Now, you are talking of dollars?

MR. KILGORE: Talking of dollars.

MR. KILGORE: Then they were split three for one

and they are still there.

MR. KILGORE: That is years ago, isn't it?

A. That is right, it is still there.

Q. It is still undivided?

A. Now, for the five million dollars that the

company got for its assets what did the new company

get in the way of assets? My friend is only inter-

ested in cash. I want to know what assets the new

company got, and, by the way, Mr. Robinson, in con-



on the operations of a company are your fixed assets  
equally valuable from the standpoint of making profits  
as the cash you have in the company's treasury or in  
the bank?

5 A. Of course, if we only had cash  
we would not be able to make profits.

Q. You might buy a bond at 3% but you would not  
make much profits? A. No, you have got to have  
machinery.

10 Q. I would like to know the assets that the new  
company got for the five million of securities and cash?

A. Well, in answer to that question, Penmans Limited,  
the new company, took over the assets of the Penman  
Manufacturing Company Limited.

15 Q. What were they? A. They were -- here,  
we have got them here. They had what they call a  
wear and tear reserve of \$435,570, and they had a  
renewal ---

20 Q. Just a minute, go slowly; four hundred and  
thirty-five thousand and what? A. Five hundred  
and seventy.

BY THE COMMISSIONER: Q. That was actual money?  
A. No, that is a reserve account.

25 BY MR. KELLOCK: Q. That was the wear and tear  
account, that was actually -- A. That was taken  
out of the earnings and put into wear and tear  
account as a reserve.

30 Q. Do you know what form it was in at this time?  
We are speaking now of what the new company got.  
Do you know the form that that sum was in, or can you

on the operations of a company are your fixed assets  
equally valuable from the standpoint of making profits  
as the cash you have in the company's treasury or in  
the bank?

A. Of course, if we only had cash.

Q. You might buy a bond at 85 but you would not

make much profit?

A. No, you have got to have

machinery.

Q. I would like to know the assets that the new

company got for the five million of securities and so

A. Well, in answer to that question, I would say that

the new company, took over the assets of the former

manufacturing company limited.

Q. What were they?

A. They were -- no

we have got them here. They had what they call a

cash and bank balance of \$44,370, and they had a

reserve of --

Q. Just a minute, go slowly; four hundred and

thirty-five thousand and what?

A. Five hundred

and seventy.

Q. That was actual money?

A. No, that is a reserve account.

Q. That was the best and best

account, that was actually -- A. That was taken

out of the earnings and put into cash and bank

account as a reserve.

Q. Do you know what form it was in at this time?

A. We are speaking now of what the new company got.

Q. Do you know the form that that was in, or can you



say what form it was in? A. No, I cannot because the purchase account as set up in the books shows on one side of the accounts, five millions covering the par value of these securities that they gave for the company, and against that these reserves.

Q. Now, you handed me a memorandum --

THE COMMISSIONER: It is a fund that was some place, I suppose.

MR. KILLOCK: It may have been in bricks and mortar, my lord. It is just the reserve that is set up. I don't think there is any money actually there. It was part of the assets of the company.

THE COMMISSIONER: You mean it was a valuation of part of the assets of the company?

MR. KILLOCK: So, it was the accumulation of reserve over the preceding years which the preceding company had built up, but it is not necessarily in cash or investments or anything of that kind.

THE COMMISSIONER: I don't understand it.

BY MR. KILLOCK: A. Mr. Robinson, you have handed me a memorandum here on which you show that as against this five million dollars was set up in the books of the present company these certain items. You show profit and loss account, \$205,300.12; renewal account \$300,000, rest account \$665,693.06, capital stock account \$722,400; Watson Company guarantee \$4,774.84; reserve fund account \$9,698.38; wear and tear account, that is the one you just mentioned, but the figure is different, \$430,599.96; revaluation account

any what form it was in. A. No, I cannot because the purchase account as set up in the books shows on one side of the account, five millions covering the par value of these securities that they gave for the company, and a third that these reserves.

Now, you handed me a memorandum --

THE CHAIRMAN: It is a fact that was some place

I suppose.

MR. WILSON: It may have been in bricks and mortar my mind. It is just the reserve that is set up.

I don't think there is any money actually there. It was part of the assets of the company.

THE CHAIRMAN: You mean it was a valuation of

part of the assets of the company?

MR. WILSON: No, it was the accumulation of reserves over the preceding years which the preceding company had built up, but it is not necessarily in cash or investments or anything of that kind.

THE CHAIRMAN: I don't understand it.

MR. WILSON: Mr. Robinson, you have handed

me a memorandum here on which you show that as against the five million dollars was set up in the books of the present company these certain items. You show profit and loss account, \$500,000.18; reserve account

that is the one you just mentioned, but the figure is different, \$400,000.96; valuation account

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\$498,869.29, and cash of \$14,448 making a total of \$2,842,783.65. Now, what I am asking you is when you say that those are assets that the new company got, is that strictly accurate? Was that fund of \$2,800,000, was that in cash or securities or stock or bricks and mortar or how was it? What assets did the new company get? Have you got a statement of the balance sheet of the old company?

A. They got the property --

Q. Have you the balance sheet of the old company, the Penman Manufacturing Company, immediately prior to the sale?

MR. McRUER: It is in the minute book.

THE WITNESS: Yes, we have that.

BY MR. KELLOCK: Q. I want the figures -- just pardon me a moment. Is this what I am showing you here -- what was the date of the last balance sheet?

A. Here, we have got it here.

Q. What is the date? A. The 31st of December, 1905. The plant and real estate was \$1,402,063.39; cash, \$18,122.02.

Q. Yes? A. Accounts receivable --

BY THE COMMISSIONER: Q. What is that last?

A. Accounts receivable, my lord, \$381,417.42; bills receivable \$206,143.31; inventory, \$1,071,227.80; ParisPlough Shares were deleted from the statement. They have it in there as \$25,000. We took that out.

BY MR. KELLOCK: Q. From the total of three million -- A. Took the \$25,000 out.

Q. Now, what I am asking you is when you say that those are assets that the new company got, is that strictly accurate? Was that kind of \$2,800,000, was that in cash or securities or stock or bricks and mortar or how was it? What assets did the new company get? Have you got a statement of the balance sheet of the old company? A. They got the property -- Q. Have you the balance sheet of the old company, the former Manufacturing Company, immediately prior to the sale? MR. ROBINSON: It is in the minute book. THE WITNESS: Yes, we have that. BY MR. ROBINSON: I want the figures -- just pardon me a moment. Is this what I am showing you here -- what was the date of the last balance sheet? A. Here, we have got it here. Q. What is the date? A. The 31st of December, 1924. THE WITNESS: That is correct. Q. Now, cash, \$18,128.00. A. Yes? BY THE EXAMINER: Q. What is that left? THE WITNESS: That is correct. Q. Now, receivable \$203,145.51; inventory, \$1,071,227.80; participation shares were deleted from the statement. BY MR. ROBINSON: From the total of three million --

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Q. The total of \$3,103,973, take off the \$25,000?

A. Yes.

Q. That is \$3,078,973.94? A. Yes.

Q. So that is the assets taken over and I assume  
that the liabilities were also assumed? A. Yes.

Q. Now, the liabilities, you have bills payable,  
\$3,546.00; accounts payable \$95,537.70; wages  
of \$11,638.45; John Penman, call loan of \$124,298.45;  
Long & Bisby, \$424,000 --

THE COMMISSIONER: What is that?

BY MR. KELLOCK: Q. That, you said, was an outstand-  
ing account for wool, or do you know what it was?

A. No, that was money advanced.

Q. That was money advanced, was it? A. Yes.

Q. Then, those are the only liabilities to the  
public, are they not? A. Yes.

MR. McRUER: Which balance sheet is this? Can we  
have it?

MR. KELLOCK: 1905.

MR. McRUER: Can we have it filed?

MR. KELLOCK: Yes, I will put it in.

MR. McRUER: I would like all the balance sheets  
if I can get them, right back as far as we can go.

MR. KELLOCK: You can have anything you want but I  
just want to get this clear if I can. Now, if my  
figures are right these liabilities to the public were  
\$659,020.60? A. How much did you say?

Q. \$659,020.60; is that right? A. Yes.

Q. So that the net assets which the present company  
acquired were \$2,419,953.43; that is, those were the

9873

HOBBSON,

Q. The sum of \$1,000.00, less all the interest

A. Yes.

Q. That is \$3,078,978.94?

A. Yes.

Q. So that is the assets taken over and I assume

that the liabilities were also assumed? A. Yes.

Q. Now, the liabilities, you have bills payable,

\$3,846.00; accounts payable \$35,347.70; wages

of \$11,688.48; John Bennett, cell loan of \$124,298.48;

Long & Bixby, \$424,000 --

THE COMMISSIONER: What is that?

BY MR. KENNEDY: Q. That, you said, was an outstanding

the account for wool, or do you know what it was?

A. No, that was money advanced.

Q. That was money advanced, was it? A. Yes.

Q. Then, those are the only liabilities to the

public, are they not? A. Yes.

MR. MORRIS: Which balance sheet is that? Can we

have it?

MR. MORRIS: Yes.

MR. MORRIS: Can we have it filed?

MR. KENNEDY: Yes, I will put it in.

MR. MORRIS: I would like all the balance sheets

to be filed, and I would like to see the balance sheet

MR. MORRIS: You can have anything you want but I

just want to get this clear if I can. Now, if you

figure out that the liabilities to the public were

\$669,080.60? A. Now when did you say?

Q. \$669,080.60; is that right? A. Yes.

Q. So that the net assets which the present company

acquired were \$2,419,988.48; that is, those were the



net tangible assets apart altogether from good will?

A. Correct.

Q. Now, Mr. Robinson, the Penman Manufacturing Company had been in existence how long? A. Incorporated in 1882.

Q. 1882, and before that Mr. Penman and the partnership had been in business how long? A. From 1867 it is - no, 1868.

Q. 1868? A. Yes, I think that is right, registered owners on the 6th of April, 1868.

Q. And in your opinion was there a substantial value to the good will which the new company acquired from its predecessor in 1906? A. I would think so. Goodwill, of course, is always a very debatable value, but I would say a company that has been in existence from 1868, and Mr. John Perman, manufacturer, he has conceived and produced lines that are before the public to-day.

Q. How many mills were in existence in 1906 when the present company took over these assets?

A. There was Paris, Port Dover.

Q. What was made at Paris in those days? A. Hosiery, underwear.

Q. Was it a substantial mill in 1906? A. Yes.

Q. What was made at Port Dover? A. Underwear.

Q. Is that exclusively? A. Yes.

Q. And at Thorold? A. Underwear.

Q. Exclusively? A. Yes.

not tangible assets against liabilities from good will?

A. Correct.

A. Now, Mr. Robinson, the former manufacturing

Company had been in existence how long? A. In 1908-

incorporated in 1908.

Q. Now, the assets of the company at that time were

it is - no, 1908.

A. Now, I think it is right,

registered owners of the land, 1908.

A. And in your opinion was there a substantial

value to the good will which the new company acquired

from the predecessor in 1908? A. I would think

so. Goodwill, of course, is always a very intangible

value, but I would say a company that has been in

existence from 1908, and Mr. John Bennett, manufacturing

he has conceived and produced lines that are before

the public to-day.

A. Now many mills were in existence in 1908

when the present company took over these assets?

A. There was a mill, about 1908.

Q. Now it was made at that time in those days a

A. Yes, it is a substantial mill in 1908? A. Yes.

A. Is that exclusively?

A. Not entirely? A. Underneath.

A. Exclusively?



Q. And at St. Hyacinthe? A. St. Hyacinthe,  
underwear and hosiery.

Q. Underwear and hosiery? A. Yes.

5 Q. Now, the St. Hyacinthe mill had been acquired  
by the previous company before the present company  
came into existence at all? Do you know what was  
paid for the St. Hyacinthe mill? A. Yes,  
\$250,000.

10 Q. Was that paid in cash, do you know? A. I  
would think so.

BY THE COMMISSIONER: Q. That is part of the assets  
we heard about? A. Yes, they paid -- there  
was 151,000 in addition to that for the stock on hand.

15 BY MR. KELLOCK: Q. Well then, the total was \$400,000?  
A. Yes.

Q. And do you know whether shares were ~~paid~~ issued  
for that or cash paid? A. I don't think  
there were any shares issued for that.

20 Q. Are you sure? A. No, I am not sure.

Q. You cannot answer without making a search in the  
minute book? A. No, I cannot answer.

25 Q. Then, you told my friend that the Thorold mill  
had also been acquired during the history of the  
preceding company; do you know whether shares or cash  
were paid for that mill? A. No, I cannot say.

30 Q. And the Port Dover, I suppose your answer is  
the same? A. Yes; if I have only mentioned  
three of them, there was also the Coaticook Knitting  
Company acquired in 1893 for \$100,000.

Q. And at St. Hyacinthe?  
 Underneath and history.

A. Yes. Q. Underneath and history?

A. Now, the St. Hyacinthe mill had been acquired  
 by the previous company before the present company  
 came into existence at all? Do you know what was

paid for the St. Hyacinthe mill? A. Yes.

\$250,000.

Q. Was that paid in cash, do you know? A. I

BY THE COMMISSIONER: Q. That is part of the assets  
 we heard about? A. Yes, they paid -- there

was 151,000 in addition to that for the stock on hand.

BY MR. KEMLOCK: Q. Well then, the total was \$400,000?

A. Yes.

Q. And do you know whether shares were issued

for that or cash paid? A. I don't think

there were any shares issued for that.

Q. Are you sure? A. No, I am not sure.

Q. You cannot answer without making a search in the

Q. Then, you told my friend that the Toronto mill

had also been acquired during the history of the

preceding company; do you know whether shares or cash

were paid for that mill? A. No, I cannot say.

Q. And the Port Dover, I suppose your answer is

A. Yes; if I have only mentioned the names?

Three of them, there was also the Outlook Milling

Company acquired in 1893 for \$100,000.



Q. I suppose you don't know whether that was cash paid or shares issued? A. No.

Q. Because apparently the Penman Manufacturing Company had one million authorized capital in shares available, and according to what my friend says the balance sheet showed issued capital stock of \$722,000? A. That is right.

Q. You don't know whether shares were issued or cash paid or both? A. No.

EXHIBIT NO. 705: Balance sheet of Penman Manufacturing Co. Ltd., as of 31st December, 1905.

Q. Now, have you got the balance sheet of the Anchor Knitting Company which was acquired -- that is the Almonte mill -- in 1906? A. No.

Q. You have not got that. Do you know the value of the assets which were brought into the present company on the acquisition of that mill? A. No, I can only surmise what the real value was. If you deduct the \$250,000 of preferred and common stock given for the shares of the Anchor and you take 1,738,000 of good will out of that you probably have --

Q. The value of the tangible assets? A. Yes.

Q. Had the Anchor Knitting Company been an operating company for some years when it was acquired in 1906? A. Yes, it was operating until we closed it down about three or four years ago.

Q. Was it making profits when it was acquired by Penmans Limited in 1906? A. It has made profits.

Q. In 1906 when it was acquired by Penmans?

Q. I suppose you don't know whether that was cash

A. No.

paid or shares issued?

Q. Because apparently the Pennan Manufacturing

Company had one million authorized capital in shares

available, and according to what my friend says the

balance sheet showed issued capital stock of \$250,000

A. That is right.

Q. You don't know whether shares were issued or

A. No.

cash paid or both?

Balance sheet of Pennan

Exhibit No. 705;

Manufacturing Co. Ltd.,

as of 31st December, 1905.

Q. Now, have you got the balance sheet of the

Anchor Knitting Company which was acquired -- that is

A. No.

the amounts -- in 1905?

Q. You have not got that. Do you know the value

of the assets which were brought into the present

company on the acquisition of that mill?

A. No; I can only surmise what the real value was.

If you deduct the \$250,000 of preferred and common

stock given for the shares of the Anchor and you

take 1,750,000 of good will out of that you probably

have --

Q. The value of the tangible assets? A. Yes.

Q. And the Anchor Knitting Company been an operating

company for some years when it was acquired in

1905? A. Yes, it was operating until we closed

it down about three or four years ago.

Q. And it was a manufacturing company like the Anchor?

A. It was a manufacturing company.

Q. In 1905 when it was acquired by Pennan?



A. Yes. . . . for the difference? . . . .

Q. So this good will was worth a substantial amount? . . . . A. Yes.

Q. My lord, perhaps I might put in as an exhibit--

5 THE COMMISSIONER: What is the total amount of the good will on this transaction?

MR. McRUER: That is the Almonte company?

10 THE COMMISSIONER: No; the net tangible assets were \$2,419,000. Mr. Kellock says, and the rest was good will; how much is the rest?

MR. HOWSON: The rest is \$2,580,046.

MR. KELLOCK: I want to come to that. According to that computation, Mr. Robinson --

15 THE COMMISSIONER: What are you putting in now? It will be exhibit 705.

MR. KELLOCK: The balance sheet of the Penman Manufacturing Company, Limited, as at the 31st of December, 1905. Just dealing with that question of good will for the moment, Mr. Robinson, the 20 tangible assets acquired by the present company, that is, apart from Arnprior(Almonte) for the moment, were \$2,419,953.43. If you deduct that from the \$5,000,000, which is the purchase price, you get \$2,580,046.66. Is that the value of the good will 25 as set up in the books of the present company when it commenced operations? . . . . A. No.

Q. What is it? . . . . A. The amount of good will set up at the time the purchase was made was 30 \$2,157,216.35.

BY MR. McRUER: Q. Plant and machinery written up

A. Yes.

Q. So this good will was worth a substantial

amount?

A. My lord, perhaps I might put it in as an exhibit--

THE COMMISSIONER: What is the total amount of the

good will on this transaction?

MR. MCKENZIE: That is the amount of the

THE COMMISSIONER: No; the net tangible assets were

\$2,419,000, Mr. Kellock says, and the rest was good

will; how much is the rest?

MR. MCKENZIE: The rest is \$2,580,046.

MR. MCKENZIE: I want to come to that. According

to that computation, Mr. Robinson --

THE COMMISSIONER: What are you putting in now?

It will be exhibit 706.

MR. KELLOCK: The balance sheet of the present

Manufacturing Company, Limited, as at the date of

valuation, viz. 1911.

of good will for the present, Mr. Robinson, the

tangible assets acquired by the present company,

that is, apart from Amalgamated (Aliments) for the present,

were \$2,419,556.48. If you deduct that from the

\$5,000,000, which is the purchase price, you get

\$2,580,046.52. Is that the value of the good will

as set up in the books of the present company when it

commenced operations?

A. That is it? .. The amount of good will

set up at the time the purchase was made was

\$2,580,046.52.

BY MR. MCKENZIE: I want to see whether written up



to make up for the difference? A. There is a revaluation.

Q. Revaluation of the plant and machinery?

A. Yes.

5 BY MR. KELLOCK: Q. The difference between those two figures is \$422,830,31; was there an asset of that value acquired by the present company in a tangible form? My friend suggests it is writing up and I want to know whether that is right or not? A. Well, there was an appraisal taken of the property.

10 BY THE COMMISSIONER: Q. After the purchase? A. Yes.

MR. KELLOCK: That would not effect it, of course.

15 THE COMMISSIONER: Why not? Apparently it did.

MR. KELLOCK: After the purchase it would not.

THE COMMISSIONER: That is what gave you your \$400,000, wasn't it?

20 MR. KELLOCK: Well, if the appraisal was after the purchase --

25 MR. McRUER: You will find a difference between the two balance sheets. The former balance sheet carried the plant at a certain value and then the next balance sheet carried it at \$422,000 more, which was the appraised value.

MR. KELLOCK: May I see the last exhibit, please?

30 BY MR. McRUER: Q. That was what took place, wasn't it? A. I think that revaluation, the Canadian Appraisal Company made an appraisal for the bond holders of the new company, and that is the revaluation of the plant and property.

to make up for the difference? A. There is a revelation.

Q. Revelation of the plant and machinery?

A. Yes.

BY MR. KELLICK: Q. The difference between those

two figures is \$428,880.31; was there an asset of that value acquired by the present company in a tangible form? My friend suggests it is written up and I was

A. Well, to know whether that is right or not?

there was an appraisal taken of the property.

BY THE COMMISSIONER: Q. After the purchase?

A. Yes.

MR. KELLICK: That would not effect it, of course.

THE COMMISSIONER: Why not? Apparently it did.

MR. KELLICK: After the purchase it would not.

THE COMMISSIONER: That is what gave you your

MR. KELLICK: Well, if the appraisal was given

MR. MORRIS: You will find a difference between

the two balance sheets. The former balance sheet carried the plant at a certain value and then the next balance sheet carried it at \$428,000 more,

which was the appraised value.

MR. KELLICK: May I see the last exhibit, please?

BY MR. MORRIS: Q. That was what took place,

A. I think that revelation, the

Canadian Appraisal Company made an appraisal for the

bond holders of the new company, and that is the

revelation of the plant and property.



MR. KELLOCK: Well, my friend made a statement and we will just see whether that is so or not.

No, that is not so. There is no such result as that.

MR. McRUER: Yes, it is.

5 THE WITNESS: The significant thing, Mr. Kellock, is that it does not appear in the statement of the Penman Manufacturing Company as at the 31st of December, 1905, that is all.

10 BY MR. KELLOCK: Q. Pardon? A. That amount does not appear in the statement of the Penman Manufacturing Company as at the 31st of December, 1905, and I assumed when I saw that item that this was the difference after the appraisal was taken, taken after the new company was formed.

15 Q. Well, that is just the same arithmetic that I have got.

MR. McRUER: Then it ought to be right then.

20 BY MR. KELLOCK: Q. Well, Mr. Robinson, what I was asking you, I don't want you to assume unless you ~~are~~ really know. You are assuming that is perhaps due to the writing up but you don't know? A. No.

Q. It may have been another asset which does not appear.

25 MR. McRUER: Oh well, it would be in the balance sheet.

MR. KELLOCK: Alright; then, my lord -- did you put in the first balance sheet of the present company?

30 THE COMMISSIONER: No, that is the first exhibit we have had in connection with this firm here.

and we will just see whether that is so or not.

No, that is not so. There is no such result as that.

MR. McNEIL: Yes, it is.

is that it does not appear in the statement of the  
Penman Manufacturing Company as at the 31st of December

1908, that is all.

BY MR. KILGORE: A. That amount

does not appear in the statement of the Penman Manufacturing  
Company as at the 31st of December, 1908, and I  
assumed when I saw that item that this was the differ-  
ence after the appraisal was taken, taken after the  
new company was formed.

A. Well, that is just the same arithmetic that I

have got.

MR. McNEIL: Then it ought to be right then.

BY MR. KILGORE: A. Well, Mr. Robinson, what I was

saying you, I don't want you to assume unless you  
really know. You are assuming that is perhaps the  
the writing up but you don't know? A. No.

A. It may have been another asset which does not

appear.

MR. McNEIL: Oh well, it would be in the balance

sheet.

A. Well, that is all right; then, my lord -- did you put

in the first balance sheet of the present company?

MR. KILGORE: No, that is the first exhibit

have had in connection with this firm here.



MR. KELLOCK: Then, my lord, I would like to follow that with the balance sheet of the present company as of the 31st of December, 1907.

THE COMMISSIONER: You did not put anything in?

MR. McNEUER: No, my lord, I have them. I am keeping that purposely because Mr. Howson will have to deal with it later on.

THE COMMISSIONER: What is this?

MR. KELLOCK: The balance sheet of the present company as of the 31st of December, 1907.

THE COMMISSIONER: What year?

MR. KELLOCK: The 31st of December, 1907, my lord.

EXHIBIT NO. 706: Balance sheet of Penmans Limited as of 31st December, 1907.

BY MR. KELLOCK: Q. Now, just coming back for a moment, Mr. Robinson, the old company received two million out of two million five hundred thousand dollars worth of common stock, and you said how much of that went to acquire the assets of the Arnprior company? A. The Almonte?

Q. Of the Almonte company? A. The common?

Q. Yes? A. \$150,000.

Q. And that still leaves 350,000 unissued so that of the 2,500,000 authorized there have been issued \$2,150,000 of common stock; that is right?

A. Yes.

Q. Now, my friend was taking you over the profits of the present company from 1907, which you explained was a two year period at that particular stage, and you told his lordship that up until the year 1917

MR. KELLICK: When, my lord, I would like to follow that with the balance sheet of the present company as of the 31st of December, 1907.

THE COMMISSIONER: You did not put anything in?

MR. KELLICK: No, my lord, I have them. I am keeping that purposely because Mr. Howson will have to deal with it later on.

THE COMMISSIONER: What is this?

MR. KELLICK: The balance sheet of the present company as of the 31st of December, 1907.

THE COMMISSIONER: What year?

MR. KELLICK: The 31st of December, 1907, my lord.

EXHIBIT NO. 706: Balance sheet of Howson Limited as of 31st December 1907.

BY MR. KELLICK: Now, just coming back for a moment, Mr. Robinson, the old company received two million out of two million five hundred thousand dollars worth of common stock, and you said how much of that went to acquire the assets of the proprietor company?

A. The Almonte?

Q. Of the Almonte company?

A. Yes.

Q. And that still leaves 250,000 unissued so that of the 2,500,000 authorized there have been issued 2,150,000 of common stock; that is right?

A. Yes.

Q. Now, my friend was asking you over the profits of the present company from 1907, and you explain was a two year period at that particular stage, and you told his lordship that up until the year 1914



the company had not provided for depreciation at all?

A. Correct.

Q. And these items in the various years of machinery reserve --

5 MR. McRUER: They had two reserves.

MR. KELLOCK: Just a minute; these items in the various years of machinery reserves, do you know what that covers? Is that machinery actually worn out and discarded?

10 A. No, that was not a reserve; that was written off, written right off, these amounts.

Q. It was not a reserve for depreciation at all?

A. No, those are machines actually scrapped.

15 Q. And taking the year 1907, which is a two year period, the only reserve set aside out of the earnings that year was \$50,000, but that was not in any way set aside for depreciation?

A. No.

Q. And the same thing applies right through until 1917?

20 A. Correct.

Q. And even after 1917, at least, for the year 1930 there was no depreciation provided for?

A. There are a few years there that there wasn't any.

25 Q. What I want to ask you was as among the latter years of the company's history is 1930 the only year in which no reserve, no provision was made for depreciation?

A. No, there were other years besides that.

30 Q. Alright; would you indicate those to his lordship?

A. 1931, there was no provision

for depreciation.

the company had not provided for depreciation at all?

A. Correct.

Q. And these items in the various years of

MR. McHUGH: They had two reserves.

MR. KATLOW: Just a minute; these items in the

various years of machinery reserves, do you know

what that covers? Is that machinery actually worn

out and discarded? A. No, that was not

a reserve; that was written off, written right off,

these amounts.

Q. It was not a reserve for depreciation at all?

A. No, those are machines actually scrapped.

Q. And taking the year 1907, which is a two year

period, the only reserve set aside out of the earn-

ings that year was \$50,000, but that was not in any

way set aside for depreciation? A. No.

Q. And the same thing applies right through

until 1917? A. Correct.

Q. And even after 1917, at least, for the year

1920 there was no depreciation provided for?

A. There are a few years there that there wasn't any.

Q. What I want to ask you was as among the

latter years of the company's history is 1920 the

only year in which no reserve, no provision was made

for depreciation? A. No, there were other

years besides that.

Q. Alright; would you indicate those to his lord-

ship? A. 1907, there was no provision



Q. None in 1931?

A. 1931, and 1930. 1920

there was no depreciation and 1921 no depreciation.

Q. Yes?

A. I think that is all, Mr.

Kellock.

5

Q. Can a company operate and ascertain properly the net profits without providing for depreciation on its machinery, do you get a correct picture, in ascertaining in any particular year what the net profits are if you don't allow for depreciation in the case of a business such as Penman's Limited?

10

A. That is why I mentioned that; I was referring to the small ratio of the profit on the sales.

Q. Then, it is not a true picture to say that the net profits are so and so unless you make provision for depreciation --

15

MR. McRUER: Unless the machinery has been depreciated more than it ever cost two or three times over.

MR. KELLOCK: My friend should not make those statements; I am talking about evidence now. What is the ordinary depreciation on bricks and mortar, Mr. Robinson?

20

A. Well, we are permitted to deduct 10% on machinery and  $2\frac{1}{2}$  on buildings.

BY THE COMMISSIONER: Q. A year?

A. A year.

25

BY MR. KELLOCK: Q. I suppose you are constantly buying new machinery?

A. Yes.

Q. So that even without providing for depreciation the surplus you had at the end of 1907 was \$414,000 odd and it was reduced in the following year 1908 to \$351,000, and dividends were paid in both years?

30

A. Correct.

Q. None in 1931? A. 1932, and 1930. 1930 there was no depreciation and 1931 no depreciation.

Q. And a company operate and ascertain properly the net profits without providing for depreciation on the machinery, do you get a correct picture, in ascertaining in any particular year what the net profits are if you don't allow for depreciation in the case of a business such as Lennan's Limited? A. That is why I mentioned that; I was referring

to the small ratio of the profit on the sales. Q. Then, it is not a true picture to say that the net profits are so and so unless you make provision for depreciation --

MR. HUGHES: Unless the machinery has been depreciated more than it ever cost two or three times over. Q. Right; my friend should not make those statements; I am talking about evidence now. What is the ordinary depreciation on bricks and mortar, Mr.

A. Well, we are permitted to deduct 1% on machinery and 2% on buildings.

BY THE CHAIRMAN: A. A year?

BY MR. HUGHES: A. I suppose you are constantly

buying new machinery? A. Yes.

Q. So that even without providing for depreciation the surplus you had at the end of 1937 was \$41,000 and it was reduced in the following year 1938 to \$251,000, and it was even lower in both years?

A. Correct.



Q. That is without taking any provision at all for depreciation? A. That is correct, yes.

5 Q. Now, my friend emphasized to you this morning that the original investment, and by original investment he was speaking about merely cash put into the Penman Manufacturing Company, he is not interested at all in any assets which the Penman Manufacturing Company had -- now, in speaking of your company, the picture, to use a colloquialism, starts from the new company, I suppose, since 1906, does it, Mr. Robinson?

10 A. Starts from 1906.

Q. You told his lordship this morning in addition to the assets, cash and machinery and everything else that the new company started off with that the new company also had bank loans? A. Very large loans.

15 Q. Very large bank loans? A. Yes.

Q. Did you use the money you borrowed from the bank from time to time for the purpose of making your profits as well as the company's own capital?

20 A. Chiefly to buy wages and raw materials.

Q. I mean was the money you borrowed for the purpose of carrying on your business and making these profits?

25 A. I would think so, no other reason.

Q. That is fairly obvious? A. Quite.

30 Q. Do you think it is either correct or fair to say you had made these profits over these years simply having regard alone to the cash that was put in, not of this company but the preceding company; do you think that is a correct or fair statement?

Q. That is without taking any provision at  
all for depreciation?  
A. That is correct, yes.  
Q. Now, my friend emphasized to you this morning  
that the original investment, and by original invest-  
ment he was speaking about merely cash put into the  
Bennett Manufacturing Company, he is not interested at  
all in any assets which the Bennett Manufacturing Com-  
pany had -- now, in speaking of your company, the picture,  
to use a colloquialism, starts from the new company.  
A. Starts from 1900.  
Q. You told his lordship this morning in addition  
to the assets, cash and machinery and everything else  
that the new company started off with that the new  
company also had bank loans?  
A. Very large bank loans?  
A. Yes.  
Q. Did you use the money you borrowed from the bank  
from time to time for the purpose of making your  
profits as well as the company's own capital?  
A. Chiefly to buy names and new materials.  
Q. I mean was the money you borrowed for the purpose  
of carrying on your business and making these profits?  
A. I would think so, no other reason.  
Q. That is fairly obvious?  
A. Quite.  
Q. Do you think it is either correct or fair to  
say you had made these profits over these years  
simply having regard alone to the cash that was put  
not of this company but the preceding company; do  
you think that is a correct or fair statement?

5  
10  
15  
20  
25  
30



A. It is hardly fair, I think.

Q. And to refer to the illustration which my friend put to you this afternoon, do you think there is any comparison, or is there any comparison in your experience between my buying a bond and sitting down and clipping coupons at 3% or whatever it may be, and attempting to make profits out of carrying on a business such as Penmans, Limited? Is there any relation of the one to the other?

A. Well, if everybody sat down and cut coupons the unemployment situation would be very much more pronounced than it is now. That is quite obvious, too.

Q. Is there anything comparable about the two things?

A. I would not think so.

Q. Now, my friend got down to the ~~per~~ period of the last 10 years, 1926 to 1935, and he attempted to make some comparison between your trading profit in that period and some other items. Among the items that my friend mentioned were bond interest paid during that period of \$1,100,000, bond discount of \$112,000 and income tax of \$289,000. Now, I understand, Mr. Robinson, these are disbursements which the company made in that period; is that right? A. What were they again?

Q. Bond interest, bond discount and income tax?

A. Certainly.

Q. Is there any escape from making those disbursements?

A. No.

Q. My friend also drew a direct comparison between your

A. It is hardly fair, I think.

Q. And to refer to the illustration which my friend put to you this afternoon, do you think there is any comparison, or is there any comparison in your experience between my buying a bond and sitting down and clipping coupons at 5% or whatever it may be, and attempting to make profits out of carrying of a business such as business, limited? Is there any relation of the one to the other?

A. Well, if everything set down and out compare the unemployment situation would be very much more pronounced than it is now. What is quite obvious, to

Q. Is there anything comparable about the two things?

A. I would not think so.

Q. Now, my friend got down to the period of the last 10 years, 1926 to 1936, and he attempted to make some comparison between your trading profit in that period and some other items. Among the items that my friend mentioned were bond interest paid during that period of \$1,100,000, bond discount of

\$110,000 and income tax of \$300,000. Now, I understand Mr. Robinson, these are disbursements which the company made in that period; is that right?

A. What were

they again?

Q. Bond interest, bond discount and income tax?

A. Certainly.



equipment account in that period of \$197,356, machinery and repairs of \$515,690, building repairs of \$142,000, a total of \$856,000; are those actual disbursements?

A. Yes.

5 Q. Were they necessary disbursements for the purpose of carrying on your business? A. Absolutely.

Q. They are not something that is tucked away in some recess of the company? A. No.

10 Q. They are expenses of doing business? A. Absolutely.

Q. Then, my friend spoke about the gross amount of sales in the 30 years of the present company's business and the figure of \$17,000,000 profits; that figure again, Mr. Robinson, was without any regard for the depreciation in the years when no depreciation was set up? A. That is right.

15 Q. Yes; that is all, thanks.

BY MR. McRUER: Q. Just a moment; my friend was talking to you about bank loans and the question of making money on bank loans. When you go to the bank and borrow money you pay interest on it?

20 A. Usually.

Q. When you hire a man to work you pay for him?

25 A. Usually.

Q. All the man gets out of your business is the amount you pay him for working? A. I think so.

30 Q. So that when you talk about profits having been made on this business as a result of the employment of money borrowed from the bank, it is no more fair to claim for that money a share of the profit than it

equipment account in that period of \$197,886, machinery  
and repairs of \$215,690, building repairs of \$145,000,  
a total of \$858,000; are those actual disbursements?

Q. Were they necessary disbursements for the purpose  
of carrying on your business? A. Absolutely.  
Q. They are not something that is tucked away in  
some recess of the company? A. No.  
Q. They are expenses of doing business? A. Ab-  
solutely.

Q. Then, my friend spoke about the gross amount of  
sales in the 30 years of the present company's  
business and the figure of \$17,000,000 profits;  
that figure again, Mr. Robinson, was without any  
regard for the depreciation in the years when no de-  
preciation was set up? A. That is right.  
Q. Yes; that is all, please.

BY MR. ROBINSON: Just a moment; my friend was  
talking to you about bank loans and the question of  
making money on bank loans. When you go to the bank  
and borrow money you pay interest on it?  
A. Naturally.

Q. When you hire a man to work you pay for him?  
A. Naturally.  
Q. All the men gets out of your business in the  
amount you pay him for working?

Q. So that when you talk about profits having been  
made on this business as a result of the employment  
of money borrowed from the bank, it is no more fair  
to claim for that money a share of the profit than



is for the man who is working for you, to claim for him a share of the profit?

MR. KELLOCK: That is mixing metaphors.

THE WITNESS: Well, the point I want to stress --

5 MR. McRUE: Q. I was taking it at the inception, the amount of capital that was invested and showing what the man that invested, or the holders of the securities, ultimately got. Now, my friend introduces into it the fact that some credit for capital invested must be given to the banks. Well, the banks have been paid for the use of their money. If you are going to give credit to them then you have got to give credit to the workman who has worked, and merely been paid for the use of his services?

10 A. No, I made a statement this morning that over that period of 30 years we had done \$161,000,000. That is a very large amount, isn't it?

20 Q. Alright, you did it with the assistance of capital from the bank and with the assistance of the men and women that worked for you? A. That is the point, but if we had not had the bank facilities we could not have done that.

25 Q. If you had not had the men and women willing to work for you you could not have done it? A. We would not have employed as many if we could not have had that amount of production.

30 Q. You would never have borrowed a cent from the bank if you had not had the people to go to work for you. Now, we don't want to get confused or confuse the

is for the man who is working for you, to claim for

him a share of the profit?

MR. KALLOCK: That is mixing metaphors.

THE WITNESS: Well, the point I want to stress --

MR. KALLOCK: I was talking it at the inception,

the amount of capital that was invested and showing

what the man that invested, or the holders of the

securities, ultimately got. Now, my friend introduced

into it the fact that some credit for capital invested

must be given to the banks. Well, the banks have

been paid for the use of their money. If you are going

to give credit to them then you have got to give credit

to the woman who has worked, and merely been paid for

the use of his services? A. No, I made a

statement this morning that over that period of 50

years we had done \$151,000,000. That is a very large

amount, isn't it?

Q. All right, you did it with the assistance of capital

from the bank and with the assistance of the men and

women that worked for you? A. That is the

point, but if we had not had the bank facilities we

could not have done that.

Q. If you had not had the men and women willing to

work for you you could not have done it? A. We

would not have employed as many if we could not have

had that amount of production.

Q. You would never have borrowed a cent from the

bank if you had not had the people to go to work for

Now, we don't want to get confused or confused the

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public about what actually took place here. A certain amount of money was invested and we have had the results.

It is ~~the~~ true you borrowed money from the bank and paid for that. It is true you employed men to work for you and paid them. Now, you cannot say that the profit is due to the investment of the money by the banks any more than you can say it is due to the investment of labour and skill by the employees?

A. No, not altogether, no, no.

Q. Or any share or any part; you paid the banks what they wanted?

A. Yes, but if we did not have the credit we certainly could not have borrowed the money and therefore we would not have the volume of business.

Q. If your employees did not have two hands to work with you could not have done it either? A. That is right, if there is any parallel in that.

Q. I didn't hear my friend introducing that element. Now, come back to the question of good will. The assets that were acquired by the company, the tangible assets, less the liabilities, amounted apparently to \$2,419,953.34, the consideration given was five million dollars in cash or securities. The difference is \$2,580,046.66, which must have gone for good will.

The set up in your books was an item of \$2,157,216.35 as against good will, leaving a balance of \$422,830.31 which was apparently taken care of by an increase in the valuation of the assets. Well, that was another item of good will really --

A. No, not altogether, no, no.

is right, if there is any parallel in that.

Q. I didn't hear my friend introducing that element.

Now, come back to the question of good will. The assets that were acquired by the company, the tangible assets, less the liabilities, amounted approximately to \$2,419,988.34, the consideration given was five million dollars in cash or securities. The difference is \$2,580,046.66, which must have gone for good will.

item of good will really --



MR. KELLOCK: Not necessarily.

THE WITNESS: Well, you have our total of good will. I have told you what it was.

BY MR. McRUER: Q. And you have been paying dividends on that in addition to the other? A. Were dividends paid on the good will?

Q. You paid dividends on all these securities that were issued, the whole five million? A. Oh yes, the five million; you are ~~are~~ talking about securities now, I was talking about good will; the capital stock.

Q. I know, but it is what is represented in the investment in the securities. Alright, thanks.

BY MR. KELLOCK: Q. I just want to ask you this, if your company could only make out of the use of the money borrowed from the bank, the amount you had to pay the bank for that loan, is there any object in borrowing from the bank? A. I would not think so.

Q. You borrow from the bank in order to make profits over and above what you have to pay the bank for the use of the money? A. Yes.

Q. That is obvious? A. Yes.

Q. If you had not been able to make these loans from the bank would you have been able to employ the men my friend talks about? A. No, our business would have been restricted.

MR. McRUER: Oh well, it goes around in a circle. If you had not been able to make money over and above the wages you paid you would not have employed the men. Alright, thanks.

MR. KILLOCK: Not necessarily.

THE WITNESS: Well, you have our total of good will

I have told you what it was.

BY MR. McHUGH: Q. And you have been paying dividends

on that in addition to the others? A. Were dividends

paid on the good will?

A. You paid dividends on all these securities

that were issued, the whole five million?

A. Oh yes, the five million; you aren't talking about

securities now, I was talking about good will; the

A. I know, but it is what is represented in the

investment in the securities. All right, thanks.

BY MR. KILLOCK: Q. I just want to ask you this,

if your company could only make out of the use of the

money borrowed from the bank, the amount you had to

pay the bank for that loan, is there any object in

borrowing from the bank? A. I would not think

Q. You borrow from the bank in order to make profit

over and above what you have to pay the bank for the

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from the bank would you have been able to employ the

men my friend talks about? A. No, our business

would have been restricted.

MR. McHUGH: Oh well, it goes around in a circle.

If you had not been able to make money over and above

the wages you paid you would not have employed the



HERBERT WILSON LUNDY, recalled,

THE COMMISSIONER: You are already sworn, are you not? A. Yes.

BY MR. McRUER: Q. Mr. Lundy, what position do you hold with the Penman Manufacturing Company?

A. General manager.

Q. How long have you been general manager?

A. Since 1931.

Q. What office did you hold before that?

A. Assistant to the previous general manager.

Q. How long had you been assistant --

THE COMMISSIONER: Pardon me, you said the Penman Manufacturing Company.

MR. McRUER: Penmans Limited, rather.

BY THE COMMISSIONER: Q. Since when? A. 1931.

BY MR. McRUER: Q. And previous to that?

THE COMMISSIONER: Where does Mr. Lundy carry on?

BY MR. McRUER: Q. You live in Paris? A. Yes.

Q. Previous to that you were assistant general manager for how long? A. Since 1923.

Q. Had you been connected with the company prior to that? A. I was connected with the St. Hyacinthe mill in Quebec.

Q. How long had you been connected with the St. Hyacinthe mill? A. About four years.

Q. Now, I suppose from the time that you have been with the company the gentlemen who have been the directors and chairman of the board have all been gentlemen from Montreal? A. As far as I can remember, yes.

WITNESSES: JOHN J. LEE, JAMES J. LEE

THE COMMISSIONER: You are already sworn, are you?

A. Yes.

BY MR. LEE: Now, what position did you

hold with the Tannan Manufacturing Company?

A. General manager.

Q. How long have you been general manager?

A. Since 1931.

Q. What office did you hold before that?

A. Assistant to the previous general manager.

Q. How long had you been assistant --

THE COMMISSIONER: Pardon me, you said the Tannan

Manufacturing Company.

MR. MORUM: Tannan Limited, rather.

BY THE COMMISSIONER: Q. Since when? A. 1931.

BY MR. MORUM: Q. And previous to that?

THE COMMISSIONER: Where does Mr. Tannan carry on?

BY MR. MORUM: Q. You live in Paris?

Q. Previous to that you were assistant general

manager for how long? A. Since 1928.

Q. Had you been connected with the company prior

to that? A. I was connected with the

company since 1928.

Q. How long had you been connected with the St.

John's company?

A. Now, I suppose from the time that you have been

with the company the gentlemen who have been the

directors and chairman of the board have all been

gentlemen from Montreal?

Remember, yes.



Q. And other than being ingestors in the Company have they taken any active part in the management of the Company? A. As a Board.

5 Q. Of course, Sir Charles Gordon is Chairman of the Board? A. As a board they take part in the policy of the Company, naturally.

10 Q. Yes, quite; now, there are some things I want to go into with you in connection with wages. Were you one of those who went to Ottawa in the fall of 1930 to press the claims for increased protection on the goods you were manufacturing? A. No.

15 Q. You did not, you were not down on that? A. I was not.

Q. Do you know whether Sir Charles Gordon was? A. I know nothing about it.

20 Q. You don't know anything about it? What tariff items do your products mostly come under? A. Item 568 of the Customs Tariff.

Q. 568? A. Yes.

Q. What is the general classification of that item? A. Knitted goods.

25 Q. Knitted goods? A. Yes.

Q. Do the majority of your goods, come under that item? A. I think there is 568 and 568-A.

BY THE COMMISSIONER: Q. What is 568-A?

30 A. I think it relates to nosiery; I have not got the memorandum of it here.

MR. BERRY: 568 is knitted garments, knitted

Q. And other than being inspectors

in the Company have they taken any active part in the

management of the Company? A. As a Board.

Q. Of course, Sir Charles Gordon is Chairman of

the Board? A. As a Board they take part in the

policy of the Company, naturally.

Q. Yes, quite; now, there are some things I want

to go into with you in connection with wages. Were

you one of those who went to Ottawa in the fall of

1930 to press the claims for increased protection

on the goods you were manufacturing? A. No.

Q. You did not, you were not down on that? A. I

was not.

Q. Do you know whether Sir Charles Gordon was?

A. I know nothing about it.

Q. You don't know anything about it? That's right.

Q. Does your products mostly come under? A. They

are of the Customs tariff.

Q. Yes? A. Yes.

Q. What is the general classification of that

item? A. Knitted goods.

Q. Knitted goods? A. Yes.

Q. Do the majority of your goods come under that

item? A. I think there is 558 and 558-A.

Q. The Commission? A. That is 558-A.

Q. I think it relates to novelty; I have not got the

numbering of it here.

Q. That is 558 in knitted goods, knitted



goods, and knitted underwear, n.o.p.

THE COMMISSIONER: That is, not otherwise provided for.

5 MR. McRUER: That is the broad range of knitted goods, 568. The exceptions to it are specially provided for in some other way? A. Yes.

Q. 568-A is socks and stockings of all kinds, is and then there any other item, Mr. Lundy?

10 A. 554-B.

BY THE COMMISSIONER: Q. 554-E? A. "B."

BY MR. McRUER: Q. 554-B, that is woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p.? A. Yes.

15 Q. Any other, Mr. Lundy? A. 552.

Q. 552, felt, pressed, of all kinds in the web---

THE COMMISSIONER: Felt?

MR. McRUER: Felt, pressed, my lord.

20 A. Pardon me, that cannot be the right number.

Q. Haven't you got some felt business at one of your mills? A. Yes, but it is not pressed felt.

4It is 554-B, which is the same one, sir. 552 relates to pressed felts which we don't make.

25 Q. 554-B covers that field; now, is there any other? A. No.

Q. Don't you manufacture some wool piece goods? A. That is 554-B.

30 THE COMMISSIONER: 554-B, woven fabrics, wholly or in part---

MR. McRUER: Quite right. Now, the rates

1907

socks, and knitted underwear, H.C.P.

107.

MR. McNEIL: That is the broad range of knitted goods.

588. The exceptions to it are specially provided for

in some other ways. A. Yes.

588-A is socks and stockings of all kinds.

and then there are other items, Mr. McNeil?

A. 584-B.

MR. McNEIL: 584-B, that is woven fabrics

composed wholly or in part of yarns of wool or hair,

588, felt, pressed, of all kinds in the sub-

A. Pardon me, that cannot be the right number.

588-A is not the same felt business as one of

your list? A. Yes, but it is not pressed felt.

584-B, which is the same one, sir. 588 relates

to pressed felts which is a mistake.

A. No.

Don't you manufacture some wool piece goods?

A. That is 584-B.

584-B, woven fabrics, wholly



apparently on those at the present time are as follows:

Knitted garments, 568, knitted garments, knitted  
underwear, and knitted goods, n.o.p. are 25% British  
Preference, intermediate 35% and 25 cents a pound and  
5 general 45% and 30 cents a pound. A. The British  
Preference is subject to a 10% discount.

Q. Quite right, yes, less 10% discount.

THE COMMISSIONER: Is there any reason why the  
figures are given that way, British Preference?

10 MR. McRUER: Well, the 10% applies to all - Mr.  
Berry, the 10% applies to all treaty countries, doesn't  
it?

15 MR. BERRY: No, it applies on any goods brought  
in direct to a lake or river port in Canada from a  
British country.

20 THE COMMISSIONER: Then, the duty, we will say,  
is 30%, but if it comes direct into a Canadian port  
from a British port it is 10% less.

MR. BERRY: Yes. The section covering that is  
Section 5.

25 --

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apparently on those at the present time are as follows:

Knitted garments, 50¢, Knitted garments, Knitted underwear, and Knitted goods, n.c.p. are 25¢ British preference, intermediate 35¢ and 35 cents a pound and General 45¢ and 30 cents a pound. A. The British

preference is subject to a 10% discount.

4. Quite right, yes, less 10% discount.

THE COMMISSIONER: Is there any reason why the

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from a British port it is 10% less.

MR. BERRY: Yes. The section covering that in

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THE COMMISSIONER: Additional preference?

MR. LARRY: Yes.

MR. McRUER: "The importer of goods entitled to the benefit of the British Preferential Tariff shall be entitled to a discount of 10 per centum on the amount of duty computed under such tariff, when such goods are conveyed without transshipment from a port of a country enjoying the benefits of the British Preferential Tariff into a sea, lake or river, port of Canada."

Then it says:

"Consigned to a consignee in a specified port in Canada."

And it says:

"Goods entitled to the benefits of the British Preferential Tariff shall be entitled to the discount authorized by this section, when shipped on a through bill of lading consigned to a consignee in a specified port in Canada...."

"The said discount shall not apply in the case in which the duty does not exceed fifteen per centum ad valorem, or, in the case of a specific duty or a specific and ad valorem duty combined in which the computed rate does not exceed 15 per centum ad valorem, or to goods admitted into Canada which have the benefits of reductions provided for in the Canada-West Indies Trade Agreement, 1926."

The Commission shall be entitled to a discount of 10

per centum on the amount of duty computed

under such tariff, when such goods are conveyed

without transshipment from a port of a country

enjoying the benefits of the British preferential

Tariff into a sea, lake or river, port of Canada.

Then it says:

"Consigned to a consignee in a specified port

in Canada."

And it says:

"Goods entitled to the benefits of the British

preferential tariff shall be entitled to the

discount authorized by this section, when shipped

on a through bill of lading consigned to a

consignee in a specified port in Canada...."

"The said discount shall not apply in the

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specified duty or a specific and ad valorem

duty combined in which the computed rate does

not exceed 15 per centum ad valorem, or to

goods admitted into Canada which have the benefit

of reductions provided for in the tariff schedule

Indian Trade Agreement, 1908.

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Now, apparently the last revision of this item 658 was on the 22nd of March, 1931.

THE COMMISSIONER: 568.

MR. McRUER: Yes.

5 Q. You remember, I suppose, about the change?

A. Approximately, yes, I would not say definitely.

10 Q. Do you know of that change taking place at that time? A. Well, all knitted goods n.o.p., as far as I remember, the rate was advanced  $2\frac{1}{2}\%$  less the 10% discount.

THE COMMISSIONER: That is, the British Preference rate.

MR. McRUER: Q. That is the British Preference Rate?

15 A. Yes. That is allowing a mark up of 10%.

20 Q. And had the intermediate and general been changed at that time? A. I think a specific duty was put on this at that time, so much per pound. What the change of tariffs were I could not tell you without referring to our files.

Q. Well, we have those. Now, on 568a, "Socks and stockings of all kinds, the British Preferential Tariff is 30% and 75 cents per dozen? A. Less 10%.

25 Q. Less 10%?

THE COMMISSIONER: Less 10% on the whole thing.

30 MR. McRUER: Q. That would be 10% on the whole thing? A. That makes 27% ad valorem and 56 $\frac{1}{2}$  cents specific.

Q. Intermediate 32 $\frac{1}{2}\%$  and \$1.35 per dozen and the

Now, apparently the last revision of this item  
638 was on the 22nd of March, 1931.

THE COMMISSIONER: Yes.

Q. You remember, I suppose, about the changes  
A. Approximately, yes, I would not say definitely.  
Do you know of that change taking place at

as far as I remember, the rate was advanced 2 1/2  
less the 10% discount.

THE COMMISSIONER: That is, the British Preference  
rate.

MR. MORTIMER: That is the British Preference Rate  
A. Yes.

Q. and had the intermediate and generally been  
changed at that time?  
A. I think a specific  
duty was put on this at that time, so much per pound.  
What the change of tariffs were I could not tell you  
without referring to our files.

Q. Well, we have those. Now, on 5882, "books  
and stockings of all kinds, the British Preferential  
Tariff is 50% and 75 cents per dozen? A. Less 10%

.. Less 10%

Less 10% on the whole thing.

MR. MORTIMER: That would be 10% on the whole

A. That makes 27 1/2% ad valorem and 25% on  
specific.

Intermediate 25% and 21.25 per dozen and the



General Tariff 35% and \$1.50 per dozen? A.

I believe that is correct.

Q. Now, so I could just get a glimpse of this--  
you make men's hose, do you not? A. Yes.

Q. They would come under this item -socks  
and stockings if imported? A. Yes.

Q. You take a man's hose that we buy at retail  
in the stores at \$1. a pair--what would the import  
price of such hose be ordinarily? A. I could  
not tell you what the import price would be.

Q. You do not know what they would be in  
England? A. Absolutely not.

Q. Well, supposing we allow 50% for distribu-  
tion costs--that is allowing a mark up of 100%, say  
\$6.00 a dozen pair, the ad valorem duty on that would  
be 22½--that is \$1.35, if imported from England.  
Then we have 66½ cents? A. 67½ cents.

Q. Yes. That would be \$2,22½ cents on a  
\$6. purchase. Now, what percentage is that?  
That is 37% ad valorem duty on a sock that would  
import at that price. Well, that is about enough  
to keep them out, is not it? A. I don't know,  
sir.

Q. Well, I would rather think you ought to know  
as to whether you are getting any substantial compe-  
tition from the British market? A. Well,  
you are taking a hypothetical price of \$6. a dozen.  
I don't know what the English price is or what that  
duty would be on the English price.

Q. You evidently then have not had much competi-

General Tariff 35% and \$1.50 per dozen?

Q. I believe that is correct.

Q. Now, so I could just get a glimpse of this-

you make men's hose, do you not?

Q. They would come under this item - socks

and stockings if imported? A. Yes.

Q. You take a man's hose that we buy at retail

in the stores at \$1. a pair--what would the import

price of such hose be ordinarily? A. I could

not tell you what the import price would be.

Q. You do not know what they would be in

England? A. Absolutely not.

Q. Well, supposing we allow 50% for distribu-

tion costs--that is allowing a mark up of 100%, say

\$6.00 a dozen pair, the ad valorem duty on that would

be 25%--that is \$1.50, if imported from England.

Then we have 65% cents? A. 65% cents.

Q. Yes. That would be \$2.35 cents on a

\$6. purchase. Now, that percentage is that?

That is 37% ad valorem duty on a sock that would

import at that price. Well, that is about enough

to keep them out, is not it? A. I don't know.

Q.

Q. Well, I would rather think you ought to know

as to whether you are getting any substantial compo-

sition from the British market? A. Well,

you are taking a hypothetical price of \$6. a dozen.

I don't know what the English price is or what that

duty would be on the English price.



tion from the English market called to your attention recently or I should have thought you would have probably known about what they were selling at?

5 A. I believe there is a certain amount of stuff coming in.

Q. When we go to buy it we find it kind of costly to get at any rate. The socks and stockings, the last revision of that item was apparently on the 13th of October, 1932. Do you know what changes were made at that time? A. Not without reference.

10 Q. Is there anything you have got that you could refer to?

15 MR. BERRY: I think there was a substantial reduction in the specific duty, British preferential-- I don't know exactly what it was.

MR. McRUER: It had been higher than 75¢ a dozen?

20 MR. BERRY: That is my information.

MR. McRUER: Q. Then we come to the other item 554 b "Woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p. British Preferential 27½ p.c.

25 THE COMMISSIONER: Is this 1930?

MR. McRUER: This has been in effect--

THE COMMISSIONER: 1931 I think.

MR. McRUER: Well, the last revision was in 1935.

30 THE COMMISSIONER: That is a revision?

tion from the English market called to your attention recently or I should have thought you would have probably known about what they were selling at? A. I believe there is a certain amount of stuff

coming in.

Q. When we go to buy it we find it kind of

costly to get at any rate. The books and

stockings, the last revision of that item was ap-

parently on the 10th of October, 1932. Do you

know what changes were made at that time? A.

Not without reference.

Q. Is there anything you have not that you

could refer to?

MR. BARRY: I think there was a substantial

reduction in the asphaltic bit, British preferential--

I don't know exactly what it was.

MR. McLENNAN: It had been higher than 75% a

MR. BARRY: That is my information.

MR. McLENNAN: Then we come to the other

item 554 b "Woolen fabrics composed wholly or in

part of yarns of wool or hair, n.o.s. British pre-

MR. McLENNAN: This has been in effect--

MR. McLENNAN: Well, the last revision was in

1930.

MR. McLENNAN: That is a revision?



MR. McRUER: Yes. 27 $\frac{1}{2}$ % and 17 cents per pound is the British Preference. Intermediate tariff 35% and 30 cents per pound and general tariff 40% and 35 cents a pound.

"Provided, however, that the sum of the specific and ad valorem duties imposed by this item on import under the British Preferential Tariff shall not be in excess of 65 cents per pound."

Well, we will probably get some specific examples from Mr. Hooper on this later to show us what the actual ad valorem protection is.

Q. Now, I would like if you would look at these returns with me for a moment in regard to wages.

The wages paid by your Company in 1926 apparently amounted to \$1,507,350.76. In 1930 they amounted to \$1,498,154.26. In 1935 they amounted to \$1,384,037.89. So that apparently you are paying out in round figures about \$200,000 less in wages than you were paying out in 1926. About \$300,000 less than you were paying out in 1928 and 1929.

That appears to be correct, is not it? A. That is on the returns. This is our return.

MR. KELLOCK: What page are you looking at?

MR. McRUER: It is not paged but it is the Profit and Loss Account and if you will look at the head of the page the wording is "Opening inventory, process of finished and unfinished---"

MR. KELLOCK: I am instructed that would not be

Mr. McNEIL: Yes. 17 1/2 and 17 cents per pound  
is the British preference. Intermediate tariff  
30 and 30 cents per pound and general tariff 40  
and 35 cents a pound.  
"Provided, however, that the sum of the specific  
and 35 various duties imposed by this item  
on import under the British preferential tariff  
shall not be in excess of 65 cents per pound."  
Well, we will probably get some specific examples  
from Mr. Hoover on this later to show us what the  
actual is under the tariff.  
Now, I would like if you would look at these  
returns with me for a moment in regard to wages.  
The wages paid by your company in 1933 apparently  
amounted to \$1,537,500.75. In 1930 they amounted  
to \$1,498,154.85. In 1933 they amounted to  
\$1,585,037.37. So that apparently you are paying  
out in round figures about \$50,000 less in wages  
than you were paying out in 1930.  
Less than you were paying out in 1933 and 1932.  
That appears to be correct, is not it?  
Is on the returns. This is our return.  
Mr. McNEIL: What have you been looking at?  
Mr. McNEIL: It is not passed but it is the Profit  
and Loss Account and if you will look at the head of  
the page the wording is "Opening inventory, process  
of finished and unfinished---"  
I am instructed that would not be

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the total.

MR. McRUER: Well, wages entered. There may be others included in there - light, heat, power, repairs to machinery, there may be some things, but it is a comparative figure anyway. I am comparing mill wages paid out in the mill for processing ---

MR. KELLOCK: Would not be even mill wages. We have it here if you want it.

MR. McRUER: I have got it here. It is on the return. It must be correct.

MR. KELLOCK: I have the figures all right but it is not the whole story.

MR. McRUER: Q. I am making comparison between the two years of what the mill employees got and same classifications of employees would be in 1926 as in 1935 in the return - there would be no changes made, would there? A. I would assume that they are the same classifications.

A. Yes, it is merely for comparative purposes, this classification of employees, that there was less paid out in wages to them in 1935 than in 1926, 1927, 1928, 1929 or 1930, and less than in 1931 for that matter. Slightly more than in 1932 and 1933 and less than in 1934. Now, we go to the last page of the Return and deal with the numbers. In 1926 there were 2,228 mill workers employed in the class receiving under \$1,000 per year. In 1930 there were 2,082 and in 1936 there are 2,219.

the total.

Mr. McLaughlin: Well, wages entered. There are

be others included in there - light, heat, power,

repairs to machinery, there may be some things,

but it is a comparative figure anyway. I am comparing

mill wages paid out in the mill for processing ---

Mr. McLaughlin: Would not be even mill wages.

to have it here if you sent it.

Mr. McLaughlin: I have not it here. It is on the

return. It must be correct.

Mr. McLaughlin: I have the figures all right

but it is not the whole story.

Mr. McLaughlin: I am making comparison between

the two years of 1935 and 1936 as far as

same classification of employees would be in 1935

as in 1936 in the return - there would be no change

made, would there? I would assume that they

were the same classification.

Yes, it is merely for comparative purposes.

this classification of employees, that there was less

paid out in wages to them in 1935 than in 1936,

1937, 1938, 1939 or 1940, and less than in 1931

for that matter. Slightly more than in 1938 and

1939 and less than in 1934. Now, we go to the

last item of the return and find that in 1935

In 1935 there were 2,388 mill workers employed in

the mines receiving under \$1.00 per year. In 1936

there were 1,144 mill workers receiving under \$1.00



MR. KELLOCK: 1936?

MR. McRUER: Q. So there are apparently less workers in that category employed than there was in 1926? A. practically the same in 1936.

Q. Just about the same, that is right.

In the category over \$1,000 per year in 1926 there were 10 and in 1930 there were 86 and in 1936 there were 46. Is there any explanation in regard to that fluctuation between the number over \$1,000 per year? There are eight times as many in 1930 and they brought down to nearly half as many in 1936? A. This is only for a two-weeks period.

Q. Yes, I know. Is there any explanation that you know of? A. I don't know of any explanation.

Q. Well, the total workers employed would be the sum of each of these columns. I will have them run up. Now, in 1930 there were 2,082 in the category under \$1,000 per year of the mill workers and they received in wages \$1,546,295.00? A. No, they did not receive that.

Q. Well, what is that figure? A. Well, that is only a calculation, two weeks, the last two weeks in here is taken in each of those three years and then projected as though all those people in these classifications worked for a whole year.

Q. Well, that is what they would have received if it had continued on at that? A. Yes, it is a

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less workers in that category employed than there  
was in 1960? A. Practically the same in 1960.

Q. Just about the same, that is right.  
In the category over \$1,000 per year in 1960 there  
were 10 and in 1960 there were 80 and in 1960 there  
were 40. Is there any explanation in regard to  
that fluctuation between the number over \$1,000 per  
year? There are eight times as many in 1960  
and they would have to multiply with as many in 1960.  
A. This is only for a two-week period.

Q. Yes, I know. Is there any explanation  
that you know of? A. I don't know of any.

Q. Well, the total workers employed would be the  
sum of each of these columns. I will have to see the  
fig. Now, in 1960 there were 2,000 in the category  
under \$1,000 per year of the full workers and they  
received in wages \$1,300,000. A. No, they  
did not receive that.

Q. Well, what is that figure?  
A. Well, that is only a calculation, two weeks, the last  
two weeks in here is taken in each of those three  
years and that is why it is not a true figure.  
In those classifications worked for a whole year.

Q. Well, that is what you want to know  
if it had continued on that?



theoretical calculation.

Q. Let us deal with it as it is for comparative purposes. In 1936---

THE COMMISSIONER: How many workers?

5 MR. McRUER: 2,219 workers received or they would have received on the basis on which they are paid \$1,428,390 or, in other words, there were 137 more workers but in the gross receivings \$128,000 less money-- that would be apparently a fair calcu-  
10 lation on that, would not it? A. Well, I do not think it corresponds with the fact, actual wages paid during these years. Of course, this year is not completed yet.

15 Q. We will analyse it on any basis there is. I am just taking the basis of this ~~4A~~ Return and I will take any other basis we can because all we want to know is what the facts are. According to this it appears that the mill workers - there are more  
20 men working? A. Not men, male and female.

Q. Well, male and female - more of those working for less money in the gross than before. Now, if we take the two classifications of over \$1,000 and under \$1,000 and add them together, which is  
25 probably a fair way to do it - in 1930 there are 2,168 mill workers of both groups. In 1936 there are 2,265. The 2,168 earned in 1930 \$1,665,212.50. The 2,265 earned in 1936 \$1,481,775. or there are  
30 93 more workers in 1936 than in 1930 but receiving

Unemployment Insurance

Let us deal with it as it is for comparative

purpose, in 1934

The Unemployment Insurance Act

was passed in 1934, and it was received by them

would have received on the basis on which they are

paid at the time, and in other words, there were 187

more workers but in the gross receiving \$188,000

less money--that would be a saving of \$188,000

in the total, would not it? Well, I do

not think it correct to say that, because

money paid during these years. Of course, this

year is not completed yet.

It will be analysed it on any basis there is.

I am just talking the basis of this in relation and I

will take any other basis we can choose all we want

to know is what the facts are. According to this

it appears that the bill workers - there are more

not working? Well, yes, and female.

Well, male and female - more of those working

for less money in the gross than before. Now,

if we take the two classifications of over \$1,000

and under \$1,000 and add them together, which is

probably a fair way to do it - in 1933 there are

2,168 million workers of both groups. In 1934 there

are 2,200. The 2,168 earned in 1933 \$1,530,000,000

The 2,200 earned in 1934 \$1,441,000,000. On these two

of course, it is fair to say that the 1934



\$180,000 less money?

A. Are you comparing

1926 with 1936.

Q. Yes, we will compare 1926 with 1936.

In 1926 there were 2,238 - we can take the sum of  
5 them - workers and receiving \$1,473,925.

MR. KELDOCK: The figure you gave before was  
\$1,577,000.

SECRETARY WHITELEY: Have not you taken the  
actual wage for a two-weeks period?

THE WITNESS: Yes, take the actual wage for  
two-weeks period and multiplied---

MR. McFuer: Q. Let us see how they do compare.  
Well, according to your Profit and Loss Analysis  
15 for 1926 the amount paid out for wages there appears  
there to be \$1,577,350 and my friend Mr. Kellock  
suggests that does not include it all. Well, accord-  
ing to this figure it is \$1,473,000, so that it is  
out \$100,000? A. It is possible that that  
20 would include these maintenance people,

Q. Yes, it might do that too. Well, that  
does not hardly help us either because in 1930,  
according to this last sheet, it is \$1,165,000.

25 And according to your analysis of Profit and Loss,  
\$1,498,000, so that there is something wrong there.

A. Well, this is calculation and this is transcript  
of actual figures.

30 Q. It does not seem to work out. They do not  
tie up. We can get at it in another way I think.

\$180,000 less money? A. Are you comparing

1936 with 1935.

A. Yes, we will compare 1936 with 1935.

In 1935 there were 2,338 - we can take the sum of

them - workers and receiving \$1,482,000.

MR. KILBICK: The figure you gave before was

\$1,577,000.

SECRETARY WILKINSON: Have not you taken the

actual wage for a two-week period?

THE WITNESS: Yes, same the actual wage for

two-weeks, which was multiplied---

MR. McNEIL: Let us see now they do compare

well, according to your profit and loss analysis

for 1935 the amount paid out for wages there appears

there to be \$1,577,000 and my friend Mr. Kilbick

suggests that does not include it all. Well, acco-

ring to this figure it is \$1,482,000, so that it is

out \$100,000. It is possible that that

would include these maintenance people.

A. Yes, it might do that too. Well, that

does not really help us either because in 1935,

according to this last sheet, it is \$1,155,000.

and according to your analysis of profit and loss,

\$1,482,000, so that there is some \$300,000

A. Well, this is calculation and this is the result

of actual figures.

A. It does not seem to work out. They do not

tie up. We can get at it in another way I think.

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Have you got your copy of the return of wages paid according to occupation? A. Our accountant who prepared the returns will have that.

-- Adjourned at 4 P.M.

-- On resuming:

Q. Now, Mr. Lundy, to get back now to the rates of wages, what I am getting at is the comparison of wages paid in 1926 and 1930 and 1936. Just look over my shoulder here at these returns. This is on No. 1 hosiery, that is the mill up on the Nith River? A. Yes, sir.

Q. And making hosiery exclusively there?

A. Yes.

Q. Well, we will deal with it. It is the one I have got my hands on and we will deal with it first. Go back to the year 1926, the knitters - that is quite a large classification, of course, in a hosiery mill - the average hourly rates appears to have been 28 cents an hour for male, for females 23 cents an hour. In 1930 for males it was 34 cents an hour, for females 29 cents an hour. In 1936, for males it was 31 cents an hour and for females 24 cents an hour. So the females are 5 cents an hour apparently lower in 1936 than they were in 1930 and one cent higher than they were in 1926 and the males, 3 cents lower than they were in 1930, and 3 cents above what they were in 1926. Do the females do the same work as the males? A. Oh, not necessarily.

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Have you got your copy of the return of wages paid  
according to occupation? Our accountant  
who prepared the return will have that.

-- Adjusted at 4.1.

-- On reasoning:

.. Now, Mr. Toney, to get back now to the rates

of wages, what I am getting at is the comparison

of wages paid in 1928 and 1929 and 1930. Just look

over my services here at these waters. This is an

No. 1 history, that is the bill up on the river?

.. Yes, sir.

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Q. Well, a female knitter does she work on the same sort of work as the males? A. Not necessarily sir.

5 Q. Is she paid at the same rate for doing the same sort of work?

THE COMMISSIONER: These are hourly rates or are they hourly earnings?

MR. McRUER: Q. These are hourly earnings?

10 A. Yes.

Q. These are piece work operators? A. Yes, piece work operators.

15 Q. Is the female piece worker paid at the same rate for the same class of work as the male? A. I don't believe she does the same work.

Q. When you say she does not do the same work, what do you mean? A. Well, it would be a different type of machinery.

20 Q. Are you sure that a female knitter is not operating substantially the same sort of machine as a male knitter? A. I feel pretty sure of that.

25 Q. What difference is there in the machine? A. Oh, well, there is a vast difference. We have a great many types of machine in that mill. I can hardly explain them to you in a short sentence.

30 Q. No, but I think you would know off-hand whether there is a difference between piece work rate for female operators and piece-work rate for male

Q. Well, a female knitter does the work on the same sort of work as the males?  
A. Not necessarily.  
Q. Is she paid at the same rate for doing the same sort of work?  
A. Not necessarily. There are hourly rates or are they hourly earnings?  
A. Not necessarily. There are hourly earnings.  
Q. Yes.  
A. Yes, these are piece work operators.  
Q. Is the female piece worker paid at the same rate for the same class of work as the males?  
A. I don't believe she does the same work.  
Q. When you say she does not do the same work, what do you mean?  
A. Well, it would be a different type of machinery.  
Q. Are you sure that a female knitter is not operating substantially the same sort of machine as a male knitter?  
A. I feel pretty sure of that.  
Q. What difference is there in the machinery?  
A. Well, there is a vast difference. We have a great many types of machine in that mill. I can hardly explain them to you in a short sentence.  
Q. No, but I think you would know off-hand what they are?  
A. Yes, these are piece-work operators and piece-work rate for males.

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operators? A. I don't think there would be any difference if they were on the same type of work- they are on different machinery.

5 THE COMMISSIONER: Why is it the women earn less?

MR. McRUER: Why do they earn less per hour? They are clever with their hands on this sort of thing, are they not? A. It might call for less  
10 attention - that is, easier work.

THE COMMISSIONER: Q. You mean the men's work? A. No, the females' work.

Q. You mean the rate would be lower? A. If  
15 the operator is not doing as difficult a job, the female operator is not doing as difficult a job as the male operator she would hardly earn as much money. But on the same identical work I think their rates  
20 would be the same, but I do not think they are on the same identical work.

MR. McRUER: Q. Well, if the Company, we will say, is making as much on one class of goods as the other, why should the female operator not be paid  
25 as much as the male? A. Well, I have tried to explain, sir.

Q. Well, I did not quite get your explanation? A. The male operator may have a more difficult  
30 duty to perform, more difficult work to do.

Q. You do not happen to have a current pay roll of this mill here? A. I have not. We can

operators? A. I don't think there would be any difference if they were on the same type of work - they are on different machinery.

THE COMMISSIONER: Why is it the women earn

MR. MAYNARD: Why do they earn less per hour?

They are clever with their hands on this sort of thing are they not? A. It might call for less

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A. No, the females' work.

A. You mean the rate would be lower? A. If

the operator is not doing as difficult a job, the female operator is not doing as difficult a job as the male operator and would hardly earn as much money.

But on the same identical work I think their rates would be the same, but I do not think they are on the same identical work.

A. Well, it is not the same, is it? A. Well, it is making as much on one class of goods as the

other, why should the female operator not be paid as much as the male? A. Well, I have tried

to explain, sir.

A. Well, I did not quite get your explanation?

A. The male operator may have a more difficult

task to perform, more difficult work to do.

A. You do not happen to have a current pay roll

of this mill here? A. I have not.



obtain one.

Q. There is not one here in the room, is there?

MR. BERRY: I don't think so.

MR. McRUER: Could you get just a current pay roll?

5 Better get one for both mills.

Mr. KENERSON: We have seven mills divisioned.

Which one do you want?

MR. McRUER: I just want to look at your pay  
roll and then select two or three people and ask them  
10 to come down and tell what they do and what they earn.

MR. KENERSON: If Mr. Lundy tells what mill ---

MR. McRUER: Get me this hosiery mill for  
one and then your other mills.

15 MR. KELLOCK: I think when my friend is looking  
them up he should let me know who he is selecting  
so that we can get information on those people and  
not be left until they get in the witness box.

20 MR. McRUER: What I will do is to take it at  
random, and it will be at random for both you and me.

MR. KELLOCK: This Commission wants the infor-  
mation. In the past we have had no opportunity--

25 THE COMMISSIONER: Depends on what the evidence  
is about. You say about what work they do.

MR. McRUER: The character of the work they do  
and how much they have been earning in the past.  
Just take them at random. To hand over the names  
30 of the people so that it will happen what happened  
before in a small place - I served summons down in

obtain one.

Q. There is not one here in the room, is there?

MR. BERRY: I don't think so.

MR. MORRIS: Could you get just a current pay roll?

Better get one for both mills.

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Which one do you want?

MR. MORRIS: I just want to look at your pay

roll and then select two or three people and ask them

to come down and tell what they do and what they earn.

MR. KAMARON: If Mr. Morris tells what will ---

MR. MORRIS: Get me this history mill for

one and then your other mills.

MR. KELLICK: I think when my friend is looking

them up he should let me know who he is selecting

so that we can get information on those people and

not be left until they get in the witness box.

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and how soon they have been earning in the past.

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of the people so that it will happen what happened

before in a small place - I served someone down in

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Dunnville and apparently you knew all about that person's private history when he stepped in the witness box from the same person who had served him with summons.

5 MR. KELLOCK: No, that is not so at all. In many cases I have been left with absolutely no information until the witness is in the witness box and know---

10 THE COMMISSIONER: Why should either of you have any opportunity to know except what is pertinent to this inquiry. That is, here is the pay roll and here is the person; she and he earned so much money and what has she or he done for it. What has the past history of that individual got to do with it as far as I am concerned?

15 MR. KELLOCK: I do not think it has anything.

20 MR. McRUER: I am not interested in the past history of them.

25 THE COMMISSIONER: The point now, the general question, I have been asking myself that question many times, why do these women earn less than the men? Well, if we can get some man and woman to say what they do and see if they do the same operations and whether getting same rates of pay. The idea is you should know in advance who should be here so that you can---

30 MR. KELLOCK: No, my lord, so that we can get the actual earnings?

Dunnville and apparently you knew all about that

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MR. KILLOON: No, that is not so at all. In

many cases I have been left with absolutely no inter-

vention until the witness is in the witness box and

know---

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and here is the person; she and he earned so much

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has the past history of that individual got to do

with it as far as I am concerned?

MR. KILLOON: I do not think it has anything.

MR. MORRIS: I am not interested in the past

history of them.

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THE COMMISSIONER: The point now, the general

question, I have been asking myself that question

many times, why do these women earn less than the

men? Well, if we can get some men and women to

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say what they do and see if they do the same operation

and whether getting same rates of pay. The idea

is you should know in advance who should be paid so

that you can---

MR. KILLOON: No, my lord, so that we can get

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THE COMMISSIONER: The pay sheet will show the actual earnings.

MR. KELLOCK: There will be one pay sheet but if you go beyond that---

5 THE COMMISSIONER: You can furnish the information required and can have that question answered-- why the women earn less than the men.

MR. KELLOCK: I would be very glad to do that.

10 THE COMMISSIONER: If Mr. McRuer wants to go on and examine these men and women he can do it.

MR. McRUER: Q. Just bring me the pay roll for the period covered by these statements - that is, the two-weeks ending 28th February, 1936, for the  
15 No. 1 mill, and the No. 3 mill. No. 3 mill is knitting mill? A. Yes. No. 2 mill might be more comprehensive.

20 Q. Yes, we will have it too and bring the pay rolls for these three mills and if we can have them here - the pay rolls for 1936. I want to go back to No. 1 mill. Has there been a revision of the pay since 1930? A. No general revision, sir.

25 Q. Well, you say "No general revision" - has there been a downward revision of the amount paid. A. Our overseers and fixers we reduced their pay slightly.

30 Q. And the piece work rates? A. The piece work rates, well, there have been very slight changes in them, may have been some adjustments but the

THE COMMISSIONER: The pay sheet will show

the actual earnings.

if you go beyond that---

THE COMMISSIONER: You can furnish the labor-

motion requested and can have that question answered--

why the women earn less than the men.

MR. KIRLOCK: I would be very glad to do that.

THE COMMISSIONER: If Mr. Kirlock wants to go on

and examine these men and women he can do it.

MR. KIRLOCK: Just before the pay roll

for the period covered by these statements - that is,

the two-weeks ending 15th February, 1933, for the

No. 1 mill, and the No. 2 mill. No. 3 mill is

existing mill? A. Yes. No. 2 mill might

A. Yes, we will have it too and bring the pay

rolls for these three mills and if we can have them

here - the pay rolls for 1933. I want to go back

to No. 1 mill. Has there been a revision of the

pay since 1930? A. No general revision, sir.

A. Well, you say "no general revision" -

has there been a downward revision of the amount paid.

A. Our overseers and fixers we reduced their pay

slightly.

A. And the new work rates? A. The piece

work rates, well, there have been very slight changes

in them, say from one rate to another.



work on piece work is constantly changing.

5 Q. There is this: that when you want to reduce the amount that you are going to pay out to the employees you can in the piece work do what they call a stretch-out? A. We have not practised any such policy as stretch-out.

10 Q. Call it stretch-out or anything you like. Have you not increased the number of machines that an employee has to look after? A. Not as a general policy.

Q. Have you done it? A. I don't know of any instance where it has been done.

15 Q. Well, the knitters apparently were getting less in 1936 than they were in 1930, they were earning less according to this and what is the explanation? A. Well, the lines would have a great deal to do with that.

20 Q. That is, that you would fix a piece work rate on another line that they would not earn as much? A. No, the trend of knit goods since 1930, the sales values has been down, cheaper and cheaper lines.

25 Q. That may be true but then the piece work rates must have been revised downward, must it not? A. I don't admit that.

30 Q. Well then, what is your explanation for the earnings in this mill, and we are dealing with them in respect to the knitters, being less than in 1930 and very substantially less because

work on piece work is constantly changing.

Q. There is this: that when you want to reduce

the amount that you are going to pay out to the

employees you can in the piece work do what they can

A. We have not practised any

such policy as stretch-out.

Q. Tell us stretch-out or anything you like.

Have you not increased the number of machines that

an employee has to look after? A. Not as a general

policy.

Q. Now you say

of any instance where it has been done.

Q. Well, the Knittens apparently were getting

less in 1935 than they were in 1930, they were earning

less according to this and what is the explanation?

A. Well, the lines would have a great deal to do

with that.

Q. Just so, that you would fix a piece work rate

on another line that they would not earn as much?

A. No, the kind of knit goods since 1930, the

sales values has been down, cheaper and cheaper on the

Q. That sort of line but when the piece work

rates must have been revised downward, that is not?

A. I don't admit that.

Q. Well, you say

for the earnings in this mill, and we are dealing

with them in respect to the Knittens, being less

than in 1930 and very substantially less because

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three cents or five cents an hour is a lot of money--  
what is your explanation for it? A. I could  
not explain, sir, without looking over all the pay  
rolls.

Q. Well, as manager of the Company have you no  
idea about wages at all?

THE COMMISSIONER: Q. How are the rates of wages  
fixed? Who fixes them? A. Well, the  
superintendent and manager of the mill.

MR. McRUER: Q. Does he do it independently  
of you? A. Yes.

Q. Who is the superintendent of this mill?  
A. Mr. Graham.

Q. Could we have him here tomorrow morning to  
find out how he fixed these wages? A. No, sir,  
he is in New York at the present time.

Q. So that you say that the superintendent fixed  
the wages independently of you altogether? A. In  
details, yes.

Q. Not detail - I am talking about the share  
you would have in it as to the policy - you would know  
about that? A. Our general policy, sir,  
has not been to reduce wages during the depression.

Q. I am not talking about that at all. I am  
talking about whether you have done it or not and  
you would know about the basis on which the employees  
were being paid in every mill. I am not talking  
about detailed basis, that is, the meticulous amount

three cents or five cents an hour is a lot of money--  
what is your explanation for it?  
I could  
not explain, sir, without looking over all the pay  
rolls.

Q. Well, as manager of the Company have you no  
idea about wages at all?

THE COMMISSIONER: Q. How are the rates of wages  
fixed? Who fixes them?  
A. Well, the

superintendent and manager of the mill.  
MR. WARDEN: Q. Does he do it independently  
of you?

A. Yes.

Q. Who is the superintendent of this mill?

A. Mr. Ward.  
Q. Could we have him here tomorrow morning to  
find out how he fixed these wages?  
A. No, sir,  
he is in New York at the present time.

Q. So that you say that the superintendent fixed  
the wages independently of you altogether?  
A. In  
details, yes.

Q. Not detail - I am talking about the share  
you would have in it as to the policy - you would know  
about that?  
A. Our general policy, sir,

has not been to reduce wages during the depression.  
Q. I am not talking about that at all. I am  
talking about whether you have done it or not and

you would know about the basis on which the employees  
were being paid in every mill. I am not talking  
about detailed basis. What is the rational basis?



per hank or per stocking or what it is. I am talking  
about the basic rates. Now, you would know something  
about that, would not you? A. What do you mean  
I would know something about basic rate?

Q. Would you know anything about rates of wages?

A. Well, I see them from time to time.

Q. What do you see in connection with them?

A. Well, I see that they are approximately earning  
what they did back in 1926. I think so.

Q. I am not asking about that. I say what is  
shown to you. Well, sometimes I get exhausted  
with high executives that can appear so perfectly  
stupid and know nothing about the business at all  
and I cannot imagine why you are paid ---

MR. KELLOCK: What right has my friend to make  
a remark like that?

THE COMMISSIONER: Well, a little hard.

MR. KELLOCK: My friend is here to ask questions.

THE COMMISSIONER: I think Mr. Lundy could give  
more intelligent answers.

MR. KELLOCK: I know, I am surprised at my friend  
making a statement like that. It is absolutely  
uncalled for.

MR. McRUER: I don't know how I can pry some  
information loose from Mr. Lundy.

MR. KELLOCK: Well, there is a proper way to do  
it. You are not here to abuse---

MR. McRUER: I have not abused any witness in

per bank or per stock or what it is. I am talking  
about the basic rates. Now, you would know something  
about that, would not you?  
I would know something about basic rates?

Would you know anything about rates of interest?  
Well, I see them from time to time.

What do you see in connection with them?  
Well, I see that they are approximately earning  
what they did back in 1966.

Well, sometimes I get exhausted

with high executives that can appear so perfectly

stupid and know nothing about the business of all

and I cannot imagine why you are paid ---

MR. KILGORE: What right was I trying to make

the Commission, well, I am not

MR. KILGORE: My friend is here to ask questions.

THE COMMISSIONER: I think Mr. Langley could give

more intelligent answers.

MR. KILGORE: I know, I am surprised at my friend

making a statement like that. It is absolutely

misleading.

THE COMMISSIONER: I am not sure I am

Mr. Kilgore, there is a proper way to do

11. You are not here to abuse---

MR. KILGORE: I have not abused any witness in



this inquiry from beginning to end and there are times when I think I have been taken great advantage of.

MR. KELLOCK: Don't lecture me.

5 MR. McRUER: There have not been fairness at all in attempts to disclose when I have to pry for information on behalf of the Government, it is a little exasperating.

MR. KELLOCK: It is a counsél's job.

10 MR. McRUER: No, I don't think so. I think I ought to come to people and get information freely.

15 Q. Now, in respect to the wages paid to the employees you, as general manager of this company, would know about the basis on which the employees were being paid? A. In this town?

Q. What do you mean? A. Well, I very seldom look over the pay roll.

20 Q. Well, I am not talking about that. Do you know what I am talking about? If you don't ---

A. I don't just get the question.

Q. You don't get the question? A. No.

Q. Well, I will try and make myself clear.

25 Here is No. 1 mill? A. Yes.

Q. And we are going to be a long time if we are not going to get on faster. The employees in 1926 were being paid along a certain line, there were certain piece work rates set---

30 THE COMMISSIONER: You are talking about knitting now?

this industry from beginning to end and there are times  
when I think I have been taken great advantage of.

MR. McNEIL: There have not been fairness at all  
in attempts to disclose when I have to pay for infor-  
mation on behalf of the government, it is a little  
exaggerating.

MR. McNEIL: It is a counsel's job.  
MR. McNEIL: No, I don't think so. I think I  
ought to come to people and get information freely.  
Q. Now, in respect to the wages paid to the  
employees you, as general manager of this company,  
would know about the basis on which the employees  
were being paid? A. In this town?

A. Well, I very seldom  
look over the pay roll.  
A. Well, I am not talking about that. Do you  
know what I am talking about? If you don't ---  
A. I don't just get the question.  
A. You don't get the question? A. No.  
A. Well, I will try and make myself clear.

Here is No. 1 mill?  
Q. And we are going to be a long time if we are  
not going to get on faster. The employees in town  
were being paid along a certain line, there were

THE QUESTION: You are talking about knifing  
now?



MR. McRUER: About knitting only at the moment.

Q. There are certain piece work rates set and we see their earnings and in 1930 certain rates

set and we see their earnings. In 1926 certain

piece work rates set and we see their earnings.

Do you say you do not know anything about the reason why they are lower in 1936 than in 1930? A. Well, there is so much detail involved, it is very difficult.

As far as the ---

. That is not the question I asked you.

I say, - do you know anything about it? A. Well, the basic rate is approximately 30 cents for male around here.

Q. "Around here" - what are you talking about?

A. I mean in this district.

Q. I am not talking basic rates in the district at all. I can go out and speak to the chief

constable if I wanted to get the information about that or the town clerk. I am talking about your

policy, your rates and rates paid and why you paid them. Let us stop at that and do not try to get

me off on other things? A. I know that

approximately our males earn around 30 cents an hour and our females 23 cents, 25 cents, and 27 cents.

Q. I am asking you why for the knitters, the amount they earned, was less in 1936 than it was in 1930?

A. I could not tell you here, sir, without going into it.

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MR. McPHERSON: About knitting only at the moment.  
There are certain piece work rates set and  
we see their earnings and in 1950 certain rates  
set and we see their earnings. In 1950 certain  
piece work rates set and we see their earnings.  
Do you say you do not know anything about the reason  
why they are lower in 1955 than in 1950? A. Well,  
there is so much that is involved, it is very difficult  
to say --  
I say, - do you know anything about it? A. Well,  
the basic rate is approximately 30 cents for male  
workers.  
Q. "Round here" - what are you talking about?  
A. I mean in this district.  
I am not talking basic rates in the district  
at all. I can go out and speak to the chief  
constable if I wanted to get the information about  
that or the town clerk. I am talking about your  
policy, your rates and rates paid and why you paid  
them. Let us stop at that and do not try to get  
me off on other things? A. I know that  
approximately our rates earn around 30 cents an hour  
and our females 25 cents, 26 cents, and 27 cents.  
Q. I am asking you why for the knitters, the amount is  
set, was less in 1955 than it was in 1950?  
A. I could not tell you that, sir, without going  
into it.



W. Well, we will get some of the knitters to come down and tell us.

THE COMMISSIONER: Do you mean to say, Mr. Kellock, there is nobody here in charge of the company's affairs that can answer a simple question like that?

MR. KELLOCK: Well, I will see what I can do.

MR. McRUER: I cannot help but feel that the general manager would surely know a little about it.

MR. KELLOCK: One thing in that last question that does occur to me, and perhaps it is obvious, and that is the reason for the drop between 1930 and 1936, that is that since 1930 the looms, mills I should say, had not been working at the same capacity.

THE COMMISSIONER: You can advance a theory and I can imagine the same thing, but that is not evidence.

MR. KELLOCK: I have had no opportunity.

MR. McRUER: I would think in such a thing as that that is one of the things a general manager would know about.

(Page 9615 follows)

Mr. Wolf, we will get some of the knitters to

come down and tell us.

THE COMMISSIONER: Do you mean to say, Mr. Knicker,

there is nobody here in charge of the company's affairs

that can answer a simple question like that?

MR. KNICKER: Well, I will see what I can do.

MR. WOLF: I cannot help but feel that the

General Manager would surely know a little about it.

MR. KNICKER: One thing in that last question

that does occur to me, and perhaps it is obvious,

and that is the reason for the drop between 1930

and 1938, that is that since 1930 the looms, mills and

factories were not working at the same capacity.

MR. COMMISSIONER: You can advance a theory

and I can imagine the same thing, but that is not

evidence.

MR. KNICKER: I have had no opportunity.

MR. WOLF: I would think in such a thing as that

that is one of the things a General Manager would know

(Page 9612 follows)



Q. Now, let us go to this other mill No. 3,  
and let us look at this period. There are knitters  
there. The male knitters first; the 1926 the earnings  
there were 29¢ an hour; in 1930, 35 cents an hour,  
5 and in 1936, 32 cents an hour. And they seem to form  
the large group there. Now, among the females  
there is quite a large group of weft winders and quillers.  
There are 11 there in that group. In 1936, their  
10 average rate is 22½ an hour; in 1930, 27 cents an hour,  
and in 1936, 26 cents an hour. Now, you see that  
group are receiving 5 cents an hour less than in 1930  
and 4 cents an hour less than in 1926. Have you  
got any explanation for that? A. Well, that mill  
15 has not been as busy this year as in previous years.

Q. But this is the average earnings per hour;  
it is what you pay them when they are working?

A. Yes, sir, but when work is slack in the mill---

Q. You pay less? A. No, but the earnings per  
20 hour tend to go down; there is no way of avoiding it.

Q. But this is a two-week period for February  
of those years, and it is the number of employees  
that were there, and their average earnings on piece  
25 work? A. Well, if the mill is not busy and they  
are waiting for the work, they cannot go home.

Q. Could you give us the production of that mill  
in 1930 and the production in 1906; will you get that  
30 so that we can just test that out? A. Yes, I could  
secure it.

Q. Now, let us go to this other mill No. 3,

and let us look at this period. There are knitters

there. The male knitters first; the 1935 the earnings

there were 29¢ an hour; in 1930, 35 cents an hour,

and in 1926, 32 cents an hour. And they seem to form

the large group there. Now, among the females

there is quite a large group of welt winners and quilts

there are 11 there in that group. In 1935, their

average rate is 28¢ an hour; in 1930, 27 cents an hour,

and in 1926, 25 cents an hour. Now, you see that

group are receiving 5 cents an hour less than in 1926

and 4 cents an hour less than in 1926. Have you

got any explanation for that? A. Well, that will

has not been as busy this year as in previous years.

Q. But this is the average earnings per hour;

it is what you pay them when they are working?

A. Yes, sir, but when work is slack in the mill---

Q. You pay less? A. No, but the earnings per

hour tend to go down; there is no way of avoiding it.

Q. But this is a two-week period for February

of those years, and it is the number of employees

that were there, and their average earnings on those

works? A. Well, if the mill is not busy and they

are waiting for the work, they cannot go home.

Q. Could you give us the production of this mill

in 1930 and the production in 1935; will you get that

so that we can just test that out? A. Yes, I could

secure it.



Q. Then take another group, the dye-house employees;  
Are they piece work rates? No, this is folders,  
- they are piece work, are they? A. I expect so.

5 Q. In 1936 they are receiving 21 cents an hour,  
females; in 1930 they were receiving 30 cents an hour,  
and in 1926 they were receiving 23 cents an hour.

THE COMMISSIONER: Are those earnings or years,  
Mr. McRuer?

10 MR. McRUER: Earnings, my lord, going back.

Q. Now, another large group is sewers and  
seamers. In 1936 they are redeiving 25 cents an hour;  
in 1930 they are receiving 35 cents an hour, and in  
15 1926 they are receiving 28 cents an hour. That deals with  
the large groups among the females. Now you see, Mr.  
Lundy, in every case it seems to come up in 1930,  
and then a sudden drop from between 1930 and 1936. Then  
let us take another mill, Mill 9-A; where is that?  
20 A. That is a spinning mill here in Paris.

Q. A spinning mill? A. Yes, there in Paris.

Q. Take the first group, the largest group of  
carders; in 1936 - these are males - they were receiving  
25 31 cents an hour; in 1930 they were receiving 30 cents  
an hour, in 1926 they were receiving 31 cents an hour-  
not much change there. It is up one cent an hour over  
1930.

Then the mule spinners, and there are 20 of them.  
30 In 1936 they were receiving 35 cents an hour; in 1930  
they were receiving 41 cents an hour, and in 1926 they

WILL

1930

.. Then take another group, the dye-house employ-  
Are they piece work rates? No, this is folders,  
- they are piece work, are they? A. I expect so.

.. In 1933 they are receiving 21 cents an hour,  
females; in 1930 they were receiving 30 cents an hour,  
and in 1936 they were receiving 33 cents an hour.

Mr. McNamara?

MR. McNAMARA: Learning, my lord, going back.  
Q. Now, another large group is sewers and

sewers. In 1936 they are receiving 33 cents an hour;  
in 1933 they are receiving 35 cents an hour, and in  
1936 they are receiving 38 cents an hour. That deals  
the large groups among the females. Now you see, Mr.

Lundy, in every case it seems to come up in 1930,  
and then a sudden drop from between 1930 and 1936.  
Let us take another mill, Mill 3-A; where is that?

A. That is a spinning mill near in Paris.

Q. A spinning mill? A. Yes, there in Paris.

Q. Take the first group, the largest group of

carders; in 1933 - these are males - they were receiving  
31 cents an hour; in 1930 they were receiving 30 cents  
an hour, in 1936 they were receiving 31 cents an hour -  
not much change there. It is up one cent an hour over

1930.

Then the male spinners, and there are 30 of them.

In 1930 they were receiving 33 cents an hour; in 1936

they were receiving 41 cents an hour, and in 1933 they



were receiving 35 cents an hour. Do you know any reason for the drop among the mule spinners between 1930 and 1935? A. I would have thought they would have made more money this year.

Q. You would have thought, from the business that was being done they should have made more this year?

A. Yes.

Q. Well then, what is the reason for that?

A. I don't think there has been any reduction in their rates.

Q. There must be something in connection with it; these are your own figures? A. The class of goods, of course, has something to do with it, - the class of yarns made.

Q. Well, here are fixers. Fixers would be paid as rate workers, they won't be piece workers?

A. Time workers.

Q. Well, in 1936 they are receiving 50 cents an hour; in 1930, they were getting 60 cents an hour, and in 1926 49 cents an hour. Now, that must have been a deliberate cut there? A. Well, I think

I mentioned, sir, that with supervisors and fixers we did make some reductions in their pay.

Q. Well, that is one thing we could put our fingers on, because they are rate workers. Now, here we have pickers and garnetters, - that is a substantial group, 23 in it. In 1936 they were receiving 30 cents an hour; in 1930 they were receiving 30 cents an

were receiving 50 cents an hour. Do you know any reason for the drop among the male spinners between 1930 and 1935? A. I would have thought they would

be. You would have thought, from the business that was being done they should have made something years

A. Yes.

A. Well then, what is the reason for that?

A. I don't see that there has been any reduction

in their rates.

A. There must be something in connection with it;

these are your own figures? A. The class of goods,

of course, has something to do with it, - the class

of yarn made.

A. Well, here are fixers. Fixers would be

paid as rate workers, they would be class workers?

A. Time workers.

A. Well, in 1935 they are receiving 50 cents

and in 1936 45 cents an hour. Now, what must have

been a deliberate cut there? A. Well, I think

I mentioned, sir, that with supervisors and fixers

we did make some reductions in their pay.

A. Well, that is one thing we could not

fixers of, because they are rate workers.

we have pickers and garnettiers, - that is a substantial

group, 45 in it. In 1935 they were receiving 35

cents an hour; in 1936 they were receiving 30 cents an



hour? A. 29 cents an hour.

Q. In 1930, 29 cents, yes, and in 1926 they were receiving 30 cents an hour. There is not much change there. Well, that is that mill. General Office, that would be clerical staff, that would not be mill operators. Take mill 13-W, where is that?

A. That is mill 13-U. That is London.

Q. Is that hosiery? A. No, underwear.

Q. Well, let us see what happened up at London. The large group here is knitters. In 1936 the knitters are getting 27 cents an hour. In 1930, they were getting 25 cents an hour, and, in 1926 they were receiving 36 cents an hour. That seems a big change there. Do you know anything about the reason for that? A. No. That is 10 years ago, sir. They are getting more now than they did in 1930.

Q. They are getting two cents more than they did in 1930? A. Yes.

Q. Then Mill 13-H, where is that? A. That is in London also.

Q. That is a hosiery mill, is it not? A. That is hosiery, - knitting and looping.

Q. Knitting and looping? A. Yes.

Q. That has not got many employees, just 13. Oh, there are 99 females. The big group there is knitters again. In 1926 they were getting 28 cents an hour. No, there were not any knitters in the previous years? A. I think there must be an

hour? A. 29 cents an hour.

Q. In 1930, 29 cents, yes, and in 1932 they were

receiving 30 cents an hour. There is not much change

there. Well, that is that mill. General Office,

that would be clerical staff, that would not be

mill o' estate. Take mill 12-4, where is that?

A. That is mill 12-0. That is London.

Q. Is that hostility? A. No, undoubtedly.

Q. Well, let us see what happened up at London.

The large group here is knitters. In 1932 the knitters

are receiving 27 cents an hour. In 1930, they were

getting 25 cents an hour, and, in 1932 they were

receiving 28 cents an hour. That seems a big change

there. Do you know anything about the reason for that?

A. No. That is 12 years ago, sir. They are getting

more now than they did in 1930.

Q. They are getting two cents more than they did

in 1930? A. Yes.

Q. Then mill 12-4, where is that? A. That is

in London also.

Q. That is a hostility mill, is it not? A. That

is a hostility mill.

Q. Knitting and looping? A. Yes.

Q. That has not got many employees, just 12.

Oh, there are 22 females. The big group there is

the big group there is the big group there is

the big group there is the big group there is

the big group there is the big group there is

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error in that form.

Q. Well, if there is any question about it we will pass it up? A. The principal knitters there are males, practically no female knitters.

5 Q. There does not seem to be any in here for male at all, but there were in 1930. There were male knitters getting 66 cents an hour, and they do not appear on here at all, but we have 46 female knitters getting 28 cents an hour? A. There is certainly some error there.

10 MR. KENERSON: Mr. Lundy, were they making full-fashioned hosiery in London at that time? They were on piece circular work at that time, in 1926?

15 MR. McRUER: In 1930?

MR. KENERSON: In 1926.

20 MR. McRUER: In 1926 there were male knitters there getting 47 cents an hour, and female knitters getting 24 cents an hour? -- Oh, I beg your pardon, that is in 1936. Now, just let us see. There seems to be both female and male knitters on this; there are very few, just one female. I think you are right on that, Mr. Lundy. In 1936 there is just one female. I do not understand that. Well, there are 38 male knitters who, in 1936, were receiving 47 cents an hour.

25 THE WITNESS: Yes.

30 Q. In 1930, the 28 male knitters got 66 cents an hour. That seems to be a tremendous drop there?

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error in that form.  
 Well, if there is any question about it we  
 will pass it up? A. The principal knitters there  
 are males, practically no female knitters.  
 There does not seem to be any in here for

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male at all, but there were in 1930. There were male  
 knitters getting 60 cents an hour, and they do not  
 appear on here at all, but we have 40 female knitters  
 getting 38 cents an hour? A. There is certainly

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fashioned mostly in London at that time? They  
 were on piece circular work at that time, in 1930?  
 MR. MORTON: In 1930?  
 MR. KENNEDY: In 1930.

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MR. MORTON: In 1930 there were male knitters  
 there getting 47 cents an hour, and female knitters  
 getting 34 cents an hour? -- Oh, I beg your  
 pardon, that is in 1930. Now, just let me see.

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There seems to be both female and male knitters on this  
 there are very few, just one female. I think you  
 are right on that, Mr. Landy. In 1930 there is just  
 one female. In 1930 there was one female.  
 47 cents an hour.

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THE WITNESS: Yes.  
 Q. In 1930, the 38 male knitters got 60 cents  
 an hour. That seems to be a tremendous drop then?



A. That is silk hosiery, sir.

Q. I know, but have you any explanation as to  
the large drop per hour?

A. Well, when silk  
hosiery was first started in this country there were  
a few plants, and very few knitters; but a great  
many young fellows came on to learn, and as competition  
increased they could not earn anything like the same  
wages they did previously.

Q. Now, you say the wages were higher in  
1908 and the number of plants was small. Would they  
be working on the same stock of wool? L. Working on  
the same conditions but I don't think it is the same wool.

Q. Working on the same conditions? A. Yes, but  
not exactly the same wool.

Q. There is also the fact that the wool is not the same as  
before. Is that not true? A. Yes, it is a  
little different. The wool is not the same, but it is  
not much different. It is not much different, but it is  
not much different.

Q. Now, you say the wages were higher in 1908 and the number of plants was small. Would they  
be working on the same stock of wool? L. Working on  
the same conditions but I don't think it is the same wool.

Q. Working on the same conditions? A. Yes, but  
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Q. Working on the same conditions? A. Yes, but  
not exactly the same wool.

A. That is silk hosiery, sir.

Q. I know, but have you any explanation as to

the large drop per hour? A. Well, when silk

hosiery was first started in this country there were

a few plants, and very few knitters; but a great

many young fellows came on to learn, and as competition

increased they could not earn anything like the same

wages they did previously.

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The knitter on those - there are very few.

Q. I see? A. The mill in a dull period would become over supplied.

Q. Then, where is this mill No.12? A. 12, sir, is in Waterford, Ontario. That is south of here. That is a worsted yarn spinning mill.

Q. Worsted yarn? A. Yes.

Q. Well, frame spinners seem to be the largest group here. The males got 25 cents an hour in 1936 and the females 21 cents an hour. Would they be working on the same class of work? A. Working on the same machines but I don't think it is the same work.

Q. Working on the same machines? A. Yes, but not exactly the same work.

Q. There we have the female operatives down as compared with the male. Then, in 1930 it is a little different. The male operatives, got 19 cents an hour, earned 19 cents an hour and the female 20 cents an hour.

THE COMMISSIONER: What year was this?

MR. McRUER: 1930, my lord.

THE COMMISSIONER: What is the occupation?

MR. McRUER: Frame spinners, and in 1936 we have the same. There were only 5 males and 5 females and the average for the males was 18 cents an hour and the average for the females 20 cents an hour. Now, can you explain ---

THE COMMISSIONER: When did the minimum wage come

The knitter on those - there are very few.

A. I see? A. The mill in a full period

would become over supplied.

A. Then, where is this mill no. 12?

It is in Ontario, Ontario. That is south of here.

That is a worsted yarn spinning mill.

What is the name of the mill?

A. Well, these spinners seem to be the largest

group here. The mill got 25 cents an hour in

1930 and the females 21 cents an hour. Would they

be working on the same class of work? A. Working on

the same machines but I don't think it is the same work.

A. Working on the same machines? A. Yes, but

not exactly the same work.

A. There we have the female operatives down as

compared with the male. Then, in 1930 it is a

little different. The male operatives, got 19 cents

an hour, earned 19 cents an hour and the female 20

cents an hour.

THE COMMISSIONER: That year was this?

MR. MONTGOMERY: 1930, my lord.

THE COMMISSIONER: What is the occupation?

MR. MONTGOMERY: Yarn spinners, and in 1930 we have

the same. There were only 5 males and 5 females and

the average for the males was 18 cents an hour and the

average for the females 20 cents an hour. Now, can

you explain ---

THE COMMISSIONER: Now that the minimum wage was



into effect; would that be it?

MR. McRUER: I do not know.

5 BY THE COMMISSIONER: Q. Would the Minimum Wage law have anything to do with that? A. The female Minimum Wage law? That has been in force for many years, sir.

10 BY MR. McRUER: Q. Why would the females be getting more than the males? A. I don't think that is right, sir, if you will pardon me.

15 Q. Well, I cannot argue about it. In 1926 and 1930 that seems to be the case. A. Well, these people may have been learners, I do not know. We gradually brought them up.

Q. Yes? A. You see they are a small proportion of the total employment in this year.

20 Q. Well, they are not so small; the total number employed was 43 in 1936 and they formed 10 which would be a quarter of the total employment? A. In 1936, yes.

Q. Mill No. 10, where is that? A. In Brantford.

Q. It works on underwear? A. Underwear.

25 Q. Well, we will see what happens in Brantford. The knitters, male in 1936 earned 30 cents an hour. In 1930 they were earning 30 cents an hour and 1926 28 cents an hour, so they are up two cents there. Now, the next group - have we got the female knitters? 30 There are not any - oh yes, there are, just one, that is all. There is not much use in comparing one.

into account? Would you say

any further, I am not sure.

BY THE COMMISSIONER: Would the minimum

law have anything to do with that? A. The law

minimum wage law? That has been in force for

years, sir.

BY MR. McNEIL: Why would the families be

more than the males? A. I don't think that

right, sir, if you will pardon me.

A. Well, I cannot argue about it. In 1935

1930 that seems to be the case. A. Well,

people may have been farmers, I do not know.

gradually brought them up.

A. Yes?

of the total employment in this year.

A. Well, they are not so small; the total number

employed was 43 in 1935 and they rounded it which

be a quarter of the total employment? A. In 1935

yes.

A. Will No. 10, where is that? A. In Brant

A. It works in undergarments? A. Undergarments.

A. Well, we will see what happens in Brant

The knitters, male in 1935 earned 30 cents an hour

In 1930 they were earning 30 cents an hour and 12

30 cents an hour, so they are up to 30 cents an hour.

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Now, here is a large group of female operatives, the finishers, 88 in that group? A. Pardon me, sir,

the first there is winders, isn't it?

5 Q. Winders would be female, yes. I am taking this larger group, the 88. The average is 26 cents an hour in 1936; in 1930 it was 24 cents an hour and in 1926 it was 25 cents an hour, so they are one cent an hour above what they were in 1926 and still above  
10 what they were in 1930? A. Yes, 2 cents an hour above what they were in 1930.

Q. Where are these other mills? A. Well, that is maintenance men.

15 Q. 9-D, where is that? A. That is the dye-house in this town.

Q. The dye-house here; there are 27 dye-house employees in 1936 getting 30 cents an hour. Will they be rate workers or piece workers? A. Time-  
20 workers.

Q. In 1930 they got 30 cents an hour; and in 1926 30 cents an hour, no change all through. Where is No. 8? A. The Saint Hyacinthe Mill.

25 Q. Well, we will have a look at Quebec.

THE COMMISSIONER: What is the operation?

BY MR. McRUER: Q. What do they make down there?

A. They make both hosiery and underwear and some woven goods.

30 Q. Well, we have the knitters here again?

A. What are those, hosiery knitters? It does not say

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Now, here is a large group of female operatives,  
financers, 88 in that group? ... there are, six  
... first time in ...  
... workers would be female, yes. ...  
... This larger group, the 88. The average is 25  
an hour in 1936; in 1930 it was 24 cents an hour  
in 1936 it was 23 cents an hour, so they are one  
an hour above what they were in 1930 and still  
... what they were in 1930? ... Yes, 2 cents an  
above what they were in 1930.  
... Where are these other mills?  
... is maintenance men.  
... 9-B, where is that?  
... house in this town.  
... The eye-house here; there are 17 eye-house  
employees in 1936 getting 30 cents an hour. ...  
... they be rate workers or piece workers? ... Fine  
workers.  
... In 1930 they got 30 cents an hour; and in  
30 cents an hour, no change all through. ...  
... No. 2? ... The Saint Hyacinthe Mill.  
... Well, we will have a look at Quebec.  
... THE COMMISSIONER: That is the operation?  
... BY MR. BRYDIE: ... due to they have been there  
... have both history and ...  
... have the ...  
... history ...

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whether it is hosiery or underwear. Perhaps I  
can get at it.

Q. Can you tell us?

5 MR. KENERSON: That is combined, that is the  
entire pay roll for Ste. Hyacinthe; it combines all  
employees.

10 MR. McRUER: So that it is your knitters knitting  
hosiery and the knitters knitting underwear; that would  
be the average, is that it?

MR. KENERSON: That is so.

BY MR. McRUER: Q. Well, the knitters, male knitters  
in 1936 received 20 cents an hour? A. 27, sir.

15 Q. 27, I beg your pardon, and in 1930 29 cents and  
in 1925 25 cents.

THE COMMISSIONER: 1925?

MR. McRUER: 1926, rather, my lord. Now, we  
have got some weavers. Of course, you haven't any  
weavers in Ontario, have you? A. No.

20 Q. The weavers in 1936 received 21 cents an hour,  
in 1930 22 cents and in 1926 21 cents. The mule  
spinners are a large group. The mule spinners  
in 1936 got 25 cents, in 1930 26 cents and in 1926,  
25 cents.

25 THE COMMISSIONER: 1926, 25 cents?

MR. McRUER: Yes, my lord.

30 Now, let us compare the earnings of the male and  
female knitters in Quebec. The male knitters in  
1936 earned 27 cents, the female 22 cents. In 1930  
the male knitters earned 29 cents and the female earned

whether it is hosiery or underwear. Perhaps I

can get at it.

Can you tell us?

MR. KENNEDY: That is combined, that is the  
entire pay roll for the hosiery; it combines

MR. McNEIL: So that it is your knitters knit  
hosiery and the knitters knitting underwear; that

be the average, is that it?

MR. KENNEDY: That is so.

in 1933 received 30 cents an hour? A. 27, and

A. 27, I beg your pardon, and in 1930 29 cents

in 1933 30 cents.

THE COMMISSIONER: 1933?

have got some weavers. Of course, you haven't and

weavers in Ontario, have you? A. No.

A. The weavers in 1933 received 31 cents an

in 1930 32 cents and in 1933 31 cents. The male

spinners are a large group. The male spinners

in 1933 got 33 cents, in 1930 32 cents and in 1933

33 cents.

THE COMMISSIONER: 1933, 33 cents?

MR. McNEIL: Yes, my lord.

Now, let us compare the earnings of the male

female knitters is asked. The male knitters in

in 1933 earned 33 cents, the female 32 cents.



23 cents, and in 1926 the male knitters earned 25 cents and the female 20 cents. Mill 5, where is that?

A. Coaticook, Quebec.

Q. What do they make there? A. Underwear.

Q. That is Fleece-lined underwear? A. Yes.

Q. Now, the female knitters there earned 25 cents and the male 25 cents. They seem to average the same.

MR. KELLOCK: What year is that?

MR. McRUER: 1936.

MR. KELLOCK: Did you say 25 cents each?

MR. McRUER: Yes. 1930 it is 24 cents each and in 1926 it is 20 and 21 cents respectively, male and female.

THE COMMISSIONER: Women getting 21?

MR. McRUER: Yes, my lord.

THE WITNESS: There is only one class of operation there, and one class of machinery.

Q. Just one class of machinery there? A. Yes.

Q. One class of operation? A. Yes.

Q. There is mill No. 2? A. Here, the underwear mill here.

Q. It is the underwear mill here. Well, the male knitters here for 1936 received 34 cents an hour, 1930 29 cents an hour and in 1926 27 cents an hour.

THE COMMISSIONER: Those are male knitters?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: Why the difference between the Coaticook mill and this mill?

and the female 20 cents. Mill 5, where is that?  
A. Underneath, I think.

Q. What do they make there?  
A. That is fleece-lined underwear?  
Q. Now, the female knitters there earned 25 cents and the male 25 cents. They seem to average in

MR. KILLOCK: What year is that?  
A. 1930.

MR. KILLOCK: Did you say 25 cents each?  
MR. McLENNAN: Yes. 1930 it is 24 cents each in time it is 20 and 21 cents respectively, male and female.

THE COMMISSIONER: Women getting 21?  
MR. McLENNAN: Yes, my lord.

THE WITNESS: There is only one class of goods there, and one class of machinery.

Q. Just one class of machinery there?  
Q. One class of operation?  
A. Yes.  
Q. Where is Mill 5?  
A. Here, the

Q. It is the underwear mill here, well?  
A. Knitters here for 1930 received 24 cents and 1930 23 cents an hour and in 1929 27 cents an hour.

THE COMMISSIONER: Those are male knitters?  
MR. McLENNAN: Yes, my lord.

THE COMMISSIONER: Why the difference between the Coatsworth mill and this mill?



BY MR. McRUER: Q. There seems to be a big difference between Coaticook and here? A. It is very fine work here, sir.

5 BY THE COMMISSIONER: Q. A different class of work? A. A different class of work, more skilled, it calls for more skill.

Q. That means it is paid at a higher rate, does it? A. Yes.

10 BY MR. McRUER: Q. What is the difference in the class of work? A. It is about the finest underwear that we make here, sir. The Coaticook mill is heavy work garments, I might say, a heavier garment, coarser garments.

15 Q. What is the reason that they are being paid 5 cents an hour more now than they were in 1929?

A. Well, in 1929?

Q. 1930? A. I think the mill is running fuller.

20 Q. It seems to me when I come to one that is paid less the mill is running less than it was in 1930 and when it is more the mill is running more than it was in 1930? A. And they naturally earn more when the mills are running more.

25 Q. Are your mills running more now or less?

A. At this particular time of year I think they are running more fully.

30 Q. I am dealing with last February, these are the pay rolls of last February. Where is Mill 9?

A. 9--59, isn't it?

9888 .

Lundy

BY MR. MURPHY: Q. There seems to be a big difference

between the two classes of work, is it not?

A. Yes, sir.

BY THE COMMISSIONER: Q. A different class of

work, more skilled, more difficult, is it not?

A. Yes, sir.

Q. That means it is paid at a higher rate, does it?

A. Yes, sir.

BY MR. MURPHY: Q. What is the difference in the

rate of pay between the two classes of work?

A. It is about the finest underground

work, I think, and it is paid at a higher rate.

Q. What is the reason that they are being paid

5 cents an hour more now than they were in 1939?

A. Well, in 1939?

Q. 1939? A. I think the mill is running full

time. It seems to me when I come to one that is paid

less the mill is running less than it was in 1939 or

when it is more the mill is running more than it was

in 1939. And they naturally earn more when the

mill is running more.

Q. Are your mills running more now or less?

A. At this particular time of year I think they are

running more fully.

Q. I am dealing with last February, these are

the pay rates of last February. There is still

a difference between the two classes of work, is it not?

A. Yes, sir.



Q. Oh yes? A. Well, that is the shipping  
room. That is practically discontinued.

Q. And the other is the Box Department? A. Yes.

Q. Those pay rolls have come down, have they?

MR. KELLOCK: Yes.

THE COMMISSIONER: Well, we will come back to-  
morrow morning.

-- The Commission adjourned at 5 o'clock P.M. to  
resume tomorrow at 10.30 A.M. Friday,  
October 16th, 1936.

1117

Q. On yes?  
A. Well, that is the shipping  
room. That is practically discontinued.  
Q. And the other is the Box Department? A. Yes.  
Q. There are three more boxes, are they?  
MR. MILLER: Yes.  
THE COMMISSIONER: Well, we will come back to-  
morrow morning.

-- The Commission adjourned at 3 o'clock P.M. to  
resume tomorrow at 10.30 A.M. Friday.  
Witnesses: JAMES J. JAMES.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

SEVENTIETH DAY

O.C. Minutes, 1936 (October 16, 1936)

Robert Brydie,  
Official Reporter.

THE HISTORY OF THE CITY OF TORONTO

Commissioner

A.S. Wiley, Secretary

SEVENTEENTH DAY

(October 10, 1953)

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

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A.S. Whiteley, Secretary,

10

A p p e a r a n c e s:

J.C. McRuer, K.C. and )

E. Beauregard, K.C. ) Commission Counsel,

J.P. Lanctot, K.C. )

and ) For Special Committee

R.L. Kellock, K.C. ) on Primary Textile

15

Industries.

C.G. Heward, K.C. )

Aime Geoffrion, K.C. ) For Dominion Textile

and ) Company.

C.T. Ballantyne, )

S.G. Dixon, K.C.

For Courtaulds, Limited,

L.A. Forsyth, K.C.

For Canadian Celanese Ltd.  
and Canadian Silk Products  
Limited.

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Paris, Ontario,  
October 16, 1936

-- The Commission resumed at 10.30 A.M.

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NORMAN TAYLOR, Sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Taylor, you live in Paris? A. Yes, sir.

Q. And how old are you? A. 21.

10

Q. You work in No. 1 mill here? A. Yes, sir.

Q. And how long have you been working in No. 1 Mill?

A. Seven years.

Q. And what do you do? A. Right now I am a knitter.

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Q. How long have you been a knitter? A. Three years.

Q. Three years a knitter? A. Yes, sir.

Q. What were you doing before that? A. Chore-boying.

20

Q. What is that, explain that, please? A. A yarn boy.

Q. What does a yarn boy do? A. Just delivers yarns to the different departments.

25

Q. Now, when you were a yarn boy were you paid by piece work? A. No, by day work.

Q. By day work? A. Yes, sir.

Q. You would be 18 years old at that time?

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A. At that time, yes.

Q. And you say you have worked there for seven years?

A. Yes, sir.

The Commission resumed at 10.30 A.M.

EXAMINED BY MR. MONAGHAN;

Q. Mr. Taylor, you live in Portage?  
A. Yes, sir.  
Q. And how old are you?  
A. 21.

Q. And how long have you been working in No. 1 Mill?  
A. Seven years.

Q. And what do you do?  
A. Right now I am a knitter.

Q. How long have you been a knitter?  
A. Three years.

Q. Three years a knitter?  
A. Yes, sir.  
Q. What were you doing before that?  
A. Chores.

Q. What is that, explain that, please?  
A. A yarn boy.

Q. What does a yarn boy do?  
A. Just delivers yarn to the different departments.

Q. Now, when you were a yarn boy were you paid by piece work?  
A. No, by day work.

Q. By day work?  
A. Yes, sir.  
Q. You would be 18 years old at that time?

A. At that time, yes.



Q. So you started to work when you were 14?

A. Yes, sir, right on my birthday.

Q. Right on your 14th birthday? A. That is correct.

Q. And how much did you get when you went there first?

A. \$7. a week.

Q. \$7 a week? A. Yes.

Q. Were there many other boys your age? A. Working there at that time?

Q. Yes, working there at that time? A. Yes, quite a few.

Q. 14 years old? A. Yes, around 14.

Q. And then when you started to be a knitter, you would be on piece work? A. Yes, when I went on the knitting. Well, not exactly; I worked day work for awhile on knitting.

Q. How much were you getting as a yarn boy just before you went on knitting? A. I received \$7 to start, and after I had been there two years I got \$8, and then when I was there another year I got \$9, and I was receiving \$9 a week when I went on knitting.

Q. And then you have been knitting for three years? A. Yes.

Q. How many hours a week have you been working? A. Well, I am working 60 hours a week now, but I have worked more.

Q. You have worked more? A. Yes, I have worked more.

Q. I notice --

Taylor

9881

Q. So you started to work when you were 14?

A. Yes, sir, right on my birthday.

Q. Right on your 14th birthday?

Q. And how much did you get when you went there first?

A. \$7. a week.

Q. Were there many other boys your age?

There at that time?

A. Yes, working there at that time?

A few.

Q. 14 years old?

Q. And then when you started to be a knitter, you

would be on piece work?

A. Yes, when I went on the knitting.

Well, not exactly; I worked day work for awhile on knitting.

Q. How much were you getting as a young boy just before

you went on knitting?

A. I received \$7 to start, and after I had been there two years I got \$8, and then

when I was there another year I got \$9, and I was

receiving \$9 a week when I went on knitting.

Q. And then you have been knitting for three years?

A. How many hours a week have you been working?

A. Well, I am working 80 hours a week now, but I have

worked more.

work.

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9632

Taylor

THE COMMISSIONER: Q. You say you are working 60 hours a week right now? .A. Yes, 60 hours a week.

5 BY MR. McRUER: Q. I notice on this pay roll of the 15th February, 1928, that you are down as working 120 hours in two weeks? A. Yes, 120 hours in two weeks, 60 hours a week.

Q. Yes, 60 hours a week? A. Yes.

10 Q. Then since you have been a knitter have you worked more than 60 hours a week? A. Yes, sir.

15 Q. What is the most that you have worked? A. Well, for awhile there we worked from Saturday at 5 o'clock until 6 o'clock Sunday morning, and then after that we used to go in at midnight Sunday and work until Monday morning.

Q. Just so that I understand what you said; you said you went to work on Saturday at 5 o'clock?

20 A. Yes, on Saturday at 5 o'clock and worked until 6 o'clock Sunday morning. We did that when I went on knitting, and then we did not like that and we got after them, and then they allowed us to go in Sunday at midnight and work until 7 o'clock Monday morning.

25 BY THE COMMISSIONER: Q. This was night shift, apparently? A. Yes, night shift all the time.

BY MR. McRUER: Q. When you were going on Sunday at 5 o'clock and working until Monday morning --

30 BY THE COMMISSIONER: Q. You worked 13 hours?

A. Yes, 13 hours. We have an hour off for lunch, -- just 12 hours work.

Taylor

9883

THE COMMISSIONER: 4. You say you are working 60

hours a week right now? A. Yes, 60 hours a week.

12th February, 1935, that you are down as working

120 hours in two weeks? A. Yes, 120 hours in

two weeks, 60 hours a week.

Q. Yes, 60 hours a week? A. Yes.

Then since you have been a knitter have you worked

more than 60 hours a week? A. Yes, sir.

Q. What is the most that you have worked? A. Yes.

for awhile there we worked from Saturday at 5 o'clock

until 6 o'clock Sunday morning, and then after that

we used to go in at midnight Sunday and work until

Monday morning.

Q. Just so that I understand what you said; you said

you went to work on Saturday at 5 o'clock?

A. Yes, on Saturday at 5 o'clock and worked until 6

o'clock Sunday morning. Q. Did that when I went on

knitting, and then we did not like that and we got off

then, and then they allowed us to go in Sunday at

midnight and work until 7 o'clock Monday morning.

BY THE COMMISSIONER: Q. This was night shift, is that

A. Yes, night shift all the time.

BY THE COMMISSIONER: Q. When you were going on Sunday at

5 o'clock and working until Monday morning --

Q. And then you were going on Sunday at

5 o'clock and working until Monday morning.



Q. Just 12 hours' work? A. Yes.

BY MR. McRUER: Q. And then you would go into work again the following Saturday, or rather you would go on Sunday night again? A. No, not at that time; we would go in Monday night.

Q. You would go in Monday night? A. Yes.

Q. So that you would be working six nights a week, 12 hours each night? A. For awhile, yes.

Q. That would be 72 hours a week? A. That is right.

Q. Now, what year would it be that you were working 72 hours a week? A. Well, that was the first year I went on knitting. I would between 18 and 19 then.

Q. Three years ago? A. That is what it would be.

Q. That would be 1932 or 1933? A. Yes.

Q. Then, for how long would you be working 72 hours a week? A. Well, we did work, I think, about 6 weeks at one time, and then we were off for a little while and then started back in again for awhile; that is when we were really busy they made us work that way.

Q. Well, how much would you earn in a week when you worked 72 hours? A. I cannot exactly say right now.

Q. Well, I see -- A. Well, when I first went on knitting I worked for about two months at 18 cents an hour, 12 hours a night.

Q. Would that be when you were learning the knitting?

9833 Taylor,

Q. Just 12 hours' work?  
A. Yes.

BY MR. McNEIL: Q. And then you would go into

work again the following Saturday, or rather you would

we would go in Monday night.

Q. You would go in Monday night?  
A. Yes.

Q. So that you would be working six nights a week

12 hours each night?  
A. For awhile, yes.

Q. That would be 72 hours a week?  
A. That is

Q. Now, what year would it be that you were working

72 hours a week?  
A. Well, that was the first year

I went on knitting. I would between 18 and 19 then.

Q. Three years ago?  
A. That is what it was

Q. That would be 1888 or 1889?  
A. Yes.

Q. Then, for how long would you be working 72 hours

a week?  
A. Well, we did work, I think, about 6

weeks at one time, and then we were off for a little

while and then started back in again for awhile; that

is when we were really busy they made us work that way.

Q. Well, how much would you earn in a week when you

worked 72 hours?  
A. I cannot exactly say right

Q. Well, I see -- A. Well, when I first went on

knitting I worked for about two months at 12 cents an



A. No, I was supposed to be a knitter then, but we did not have very many machines. When the other machines came in they told me I would go on piece work then.

5 Q. After you went on piece work did you find the work harder? A. Well now, at that time when I first went on it wasn't harder.

Q. When you first went on how much would you earn?

A. Well, 18 cents an hour.

10

Q. I mean working at piece-work? A. Now, you mean?

Q. No, when you first went on piece-work, how much an hour would he able to earn at the piece-work?

15 A. Well, sometimes, - it would be up and down at piece-work, - sometimes 24 cents an hour, and sometimes we wouldn't make that; I cannot exactly say.

20

Q. What is the reason it goes up and down? A. The fault of the machines. You know, when it gets slack, due to slack time, - that is about the only time our rates goes down.

Q. I see. Were you knitting full-fashioned hosiery? A. No, the Scott & Williams machines are not full-  
25 fashioned.

Q. Then go on and tell me how your earnings worked out year after year? A. Well, sometimes I make, - well, I have made \$36 for two weeks.

30

Q. That is \$18 a week? A. Yes, \$18 a week. And I have made as little as \$22.

No, I was supposed to be a knitter then, but we

machines came in they told me I would go on piece work  
then.

Q. After you went on piece work did you find the  
work harder? A. Well now, at that time when I

first went on it wasn't harder.

Q. When you first went on how much would you earn?  
A. Well, 18 cents an hour.

Q. I mean working at piece-work?  
A. Yes, you

Q. No, when you first went on piece-work, how much

an hour would be able to earn at the piece-work?

A. Well, sometimes, - it would be up and down at piece

work, - sometimes 18 cents an hour, and sometimes 20

wouldn't make that; I cannot exactly say.

Q. That is the reason it goes up and down? A. Yes

that of the machines. You know, when it goes slack,

due to slack time, - that is about the only time

our rates goes down.

Q. I see. Now you knitting full-time? A. Yes, every

A. No, the best & Williams machines are not full-

Q. Then go on and tell me how your earnings were?

one year after year? A. Well, sometimes I make,

well, I have made \$25 for two weeks.

Q. That is 1 1/2 a week? A. Yes, that's a week.

Q. I have made as little as \$10.



Q. Down as low as \$11 per week? A. Yes, sir.

Q. Working 60 hours a week? A. Yes, for working  
60 hours a week, and sometimes I make more.

Q. Sometimes it is less and sometimes it is more,  
and you say you have received as low as \$11 a week?

A. Yes, sir.

Q. Well, on this pay roll I see for 120 hours  
you got \$40.35, which would be \$20.42 for 60 hours?

A. Yes.

THE COMMISSIONER: Q. How much did you say?

MR. McPHER: \$20.42 for 60 hours, my lord.

Q. Now, have you found any changes in the last three  
years in respect to the piece rates you have been  
paid? A. We were given a raise just two weeks ago.

Q. You were given a raise just two weeks ago?

A. Yes.

Q. I see. Well, I hope---

MR. KELLOCK: Better not take too much credit.

MR. McRUER: Well, I hope we have accomplished some-  
thing.

Q. How much was your raise two weeks ago? That is  
about the time, we said we would be up here?

A. We were given a raise on certain goods.

Q. I would like to know, Taylor, on your piece work  
rates, how are they figured out, so much a dozen?

A. Well, we get paid by the dozen.

Q. Now, how much a dozen do you get paid now?

A. On certain goods we get paid  $7\frac{1}{2}$  a dozen, on another

9885

Taylor

Q. Down as low as \$11 per week?

A. Yes, for some time.

Q. Working 60 hours a week, and sometimes I make more.

A. Sometimes it is less and sometimes it is more.

Q. And you say you have received as low as \$11 a week?

A. Yes.

Q. Well, on this pay roll I see for the month

you got \$40.00, which would be \$20.00 for 60 hours?

A. Yes.

Q. Now much did you say?

A. \$20.00 for 60 hours, my lord.

Q. Now, have you found any changes in the last three

years in respect to the piece rates you have been

paid? A. We were given a raise just two weeks ago.

Q. You were given a raise just two weeks ago?

A. Yes.

Q. I see. Well, I hope---

MR. HELLER: Better not take too much credit.

MR. HELLER: Well, I hope we have accomplished some

thing.

Q. Now much was your raise two weeks ago? A. It is

about the time, we said we would be up here?

A. We were given a raise on certain goods.

Q. I would like to know, Taylor, on your piece work

rates, how are they figured out, so much a second?

A. Well, we get paid by the dozen.

Q. Now, how much a dozen do you get paid now?

A. Well, we get paid \$4 a dozen.



line  $9\frac{1}{2}\text{¢}$  a dozen; that is piece work rates, and  $6\text{¢}$  and  $6\frac{1}{2}\text{¢}$ .

Q. Yes? A. And  $8\frac{1}{2}\text{¢}$ .

Q. What changes were made about two weeks ago?

A. Well, on tuck lines we were raised from  $7\frac{1}{2}\text{¢}$  to  $9\frac{1}{2}\text{¢}$ .

Q. Well, just what is a tuck line? A. Well, it is a different knit; I cannot exactly tell you what kind of knit it is; it is more expensive than the other kind.

THE COMMISSIONER: Was this price raise on the same work, or was the work changed?

BY MR. McRUER: Q. Was the work changed, or was it the same work? A. Oh, the same work.

Q. On the same work? A. Yes.

Q. So that for doing the same work you are now getting two cents a dozen more? A. Oh, yes.

Q. Then you were getting two weeks ago? A. That is correct.

Q. Now, how long on that class of work had you been getting  $7\frac{1}{2}\text{¢}$ ? A. Oh, about two years ago we had a raise from  $6\frac{1}{2}\text{¢}$  to  $7\frac{1}{2}\text{¢}$ .

Q. On that kind of work about two years ago, you had a raise from  $6\frac{1}{2}\text{¢}$  to  $7\frac{1}{2}\text{¢}$ ? A. Yes, that is correct.

Q. Now, was any reason given for increasing the rate two weeks ago? A. I think so; we went after them for more money.

Q. Well, you say "We went after them." How did you do that, Taylor? A. Well, we asked the foreman

Taylor

line 8 1/2 a dozen; that is piece work rates, and 6 1/2

and 6 1/2.

Q. Yes? A. And 6 1/2.

Q. What changes were made about two weeks ago?

A. Well, on truck lines we were raised from 7 1/2 to 8 1/2

A. Well, just what is a truck line? A. Well, it

is a different knit; I cannot exactly tell you what

kind of knit it is; it is more expensive than the other

kind.

THE COMMISSIONER: Was this price raised on the same

work, or was the work changed?

BY MR. MORRIS: A. Was the work changed, or was it

the same work? A. Oh, the same work.

Q. On the same work? A. Yes.

Q. So that for doing the same work you are now

getting two cents a dozen more? A. Oh, yes.

Q. Then you were getting two weeks ago? A. That

is correct.

Q. Now, how long on that old a of sock had you been

getting 7 1/2? A. Oh, about two years ago we

had a raise from 6 1/2 to 7 1/2.

Q. On that kind of work about two years ago, you had

raise from 6 1/2 to 7 1/2? A. Yes, that is correct.

Q. Now, was any reason given for increasing the rate

ago? A. I think so; we went after the

for more money.

A. Well, you say "we went after them." Now did



if he would try and get us more money, and he said he would, and he asked our Superintendent and he said there was no possibility of giving us more money.

5 Q. Who is the superintendent? A. Mr. James.

And Mr. James came back one night; there were four of us on these certain machines. Of course, there are different machines, but those Scott & Williams machines, - it was on them that we went after Mr. James for more money.

10 Q. So you were one of a group of four who made personal representations to Mr. James? A. Yes, sir, and he said there was nothing doing at the time and he couldn't possibly give us more money. Later on our foreman told me when we came in one night that we  
15 had got a raise on certain goods.

Q. When was it you first made representations for the raise? A. Oh, about a month ago.

20 Q. Now, you say four men. Were they men that were engaged -- A. Of the same age as myself.

Q. And about the same experience as yourself?

A. Yes. At least there is one person there about 29.

Q. Yes. Is he married, do you know? A. No.

25 Q. Well, how much difference would the two cents a dozen make in your weekly earnings? A. Well, this pay I never had to work so hard, and I made \$17 a week; I made \$34 this pay, for the 120 hours.

Q. \$17 for 120 hours? A. No, \$17 a week.

30 Q. \$17 for the 60 hours? A. Yes, that is correct.

Q. And you say you never had to work so hard? A. No.

if he would try and get us more money, and he said he would, and he asked our superintendant and he said there was no possibility of giving us more money.

And Mr. James came back one night; there were four of

different machines, but those Scott & Williams machine it was on that last we went after Mr. James for more

personal representations to Mr. James? A. Yes, sir, and he said there was nothing being at the time and he couldn't possibly give us more money. Later on

our foreman told me when we came in one night that we had got a raise on certain goods.

Q. When was it you first made representations for the raise? A. Oh, about a month ago.

Q. Now, you say four men. Were they men that were engaged -- A. Of the same age as myself.

Q. And about the same experience as yourself? A. Yes. At least there is one person there about

Q. Yes. Is he married, do you know? A. No. Well, how much difference would the two cents

a dozen make in your weekly earnings? A. Well, I

Q. Now for this pay, for the 120 hours. A. No, sir, a week.

Q. Now for the 80 hours? A. Yes, that is correct.



Q. Now, I do not know much about the operations, Taylor, but probably you could tell us why it was that you had to work harder? A. Well, we haven't got the proper amount of machines running just at present, and after our raise it was particularly so. If we get busy we will have more machines.

Q. If you have more machines you will have to work harder? A. Yes.

Q. Well, could you do much more work? A. I don't imagine so.

Q. I just put this to you, Taylor: that you have reached about the limit of your physical ability to work to earn \$17 a week? A. You mean, should I earn more?

Q. I mean, do you feel that you are doing all that you are physically able to do? A. Yes, correct.

Our work is so complicated, if just a certain amount of bad work goes through we get a real good calling down.

Q. Yes. How is the work complicated? A. I tell you, all our lines are inspected, and if there is any bad work they send it back and we have to make it all over again, and in that way we make two for one.

Q. What do you mean? A. If we have 10 pairs of socks returned we send 20 pairs back to them.

BY THE COMMISSIONER: Q. That is, 20 good ones? A. That is correct. I lose 30 socks.

BY MR. McRUER: Q. You lose the amount of time

Q. Now, I do not know much about the operations,  
Taylor, but probably you could tell us why it was  
that you had to work harder?  
A. Well, we haven't  
got the proper amount of machinery running just at present  
and after our time it was particularly so. If we  
get busy we will have more machines.  
Q. If you have more machines you will have to work  
harder?  
A. Yes.  
Q. Well, could you do much more work?  
A. I  
don't imagine so.  
Q. I just put this to you, Taylor, that you have  
reached about the limit of your physical ability to  
work to earn \$15 a week?  
A. You mean, should I  
earn more?  
Q. I mean, do you feel that you are doing all that  
you are physically able to do?  
A. Yes, correct.  
Q. Our work is so complicated, it just a certain  
amount of bad work goes through we get a real good  
going down.  
Q. Yes. How is the work complicated?  
A. I  
tell you, all our lines are congested, and if there is  
any bad work they send it back and we have to make it  
all over again, and in that way we make two for one.  
Q. What do you mean?  
A. If we have 10 pairs  
of socks returned we send 20 pairs back to them.  
Q. That is, 20 good ones?  
A. That is correct.  
Q. You lose the amount of time

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that it takes to make 30 socks? A. Yes. I am only paid for the 10.

Q. You are only paid for the 10? A. Yes.

Q. But you have to make 30 for them? A. Right.

5

THE COMMISSIONER: He loses 20.

BY MR. McRUER: Q. You lose the work that it takes to make the 20 socks? A. Correct.

10

Q. Now, how long has that rule been in force? A. Always, since I have been there, and if we don't make those up, well, we get docked a certain amount in our pay envelope.

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BY BY MR. McRUER: Q. Now, when you are pressed, as you apparently are, to the limit of your physical strength, to make your \$17 a week, does that have any effect on your ability to make 100% good work? A. I will say.

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Q. Will you tell me how? A. Well, you are too busy to practically inspect your work properly, and a certain amount of bad work goes through, and when that happens and I am working on the machines I do not sleep when I go home in the day time, not very good.

25

Q. Well, what is the nervous strain of working to keep up to this pitch? A. Well, it is really a worrying job all the time; I cannot quite explain just now. The yarns keep breaking up, and threading them up all the time.

30

Q. Well now, in respect to the material you are

Taylor

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that it takes to make 30 socks?  
A. Yes. I am  
only paid for the 10.  
Q. But you have to make 30 for them?  
A. Right.  
THE COMMISSIONER: He loses 20.  
BY MR. McHUGH: You lose the work that it takes  
to make the 20 socks?  
A. No, not.  
Now, how long has that rule been in force?  
A. Always, since I have been there, and if we don't  
make these up, well, we get docked a certain amount  
in our pay envelope.  
BY MR. McHUGH: Now, when you are pressed,  
as you apparently are, to the limit of your physical  
strength, to make your 30 a week, does that have  
any effect on your ability to make 100 good work?  
A. Well, you know  
Q. Will you tell me how?  
A. Well, you know  
I have to practically inspect your work properly,  
and a certain amount of bad work goes through, and  
when that happens and I am working on the machines I  
do not sleep when I go home in the day time, not very  
well, what is the nervous strain of working to  
keep up to this extent?  
A. Well, it is really  
a worrying job all the time; I cannot quite explain  
just now. The yarns keep breaking up, and threading  
them up all the time.  
A. Well now, in respect to the material you are

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getting, does it vary in quality, - the raw material you are given to work with, the yarn? A. We do run into some bad yarns sometimes, and, of course, we do bad work.

5 Q. Well, now, when you do bad work, is the material sometimes responsible for it? A. No, it is the fault of the machines mostly. Of course, they say we should see something that has gone through, but when we are really busy it slips through our fingers and we don't see it.

10 Q. When you are busy it slips through your fingers and you don't see it? A. Yes, and the operative is to blame, at least he is blamed but he may not be to blame. At other times it is the machine's error.

15 Q. You say that at times the operative is to blame, but that also the machine is at error at times?

A. Correct.

20 Q. Now, are you fined just the same if it is the machine's error as if it is the operative's error?

A. Well, there might be a bad dial needle in the machine, and say we let a dozen or so go through, well, we are supposed to see those things; they are really hard to see, yet we are fined for that.

25 Q. Well, what kind of light do you work in?

A. I work under light all the time.

30 Q. Artificial light all the time? A. Yes, artificial light.

THE COMMISSIONER: He is on night shift.

Getting, does it vary in quality, - the raw material  
You are given to work with, the yarns  
And we do  
Turn into some bad yarns sometimes, and, of course,  
We do bad work.



9641 12

Taylor

MR. McRUER: Yes, quite right, my lord.

Q. You have not worked on day shift at all?

A. I have worked on day work, but the lights are on all the time just the same.

THE COMMISSIONER: Day and night?

MR. McRUER: Yes, they are on all the time - day and night.

THE WITNESS: Yes.

Q. What is the atmospheric condition in the Mill? Is there any artificial moisture put into it at all?

A. Not in our room, no.

Q. In some of the rooms, is there? A. Yes, sir, there is a humidity system in some of the rooms.

Q. And is the air clear, or are there fibrous particles floating about in it? A. Well, our room is fairly clean, but about the time they blow the machines off in the morning it is fairly dirty--

Q. What do you mean by blowing the machines off?

A. Well, they clean the machines off with air; they have compressed air.

Q. For cleaning them off? A. Yes.

Q. Well, is that done while the employees are working? A. Yes, correct.

Q. I suppose that is done during both day and night shift? A. The machines are done day and night.

Q. And while the employees are working in the building? A. Just at a certain time during the day, and at a certain time at night.

Taylor

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MR. McHUGH: Yes, quite right, my lord.

Q. You have not worked on day shift at all?

A. I have worked on day work, but the lights are on

all the time just the same.

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MR. McHUGH: Yes, they are on all the time - day

and night.

THE COMMISSIONER: Yes.

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machines off in the morning it is fairly dirty--

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working? A. Yes, correct.

Q. I suppose that is done during both day and night

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Q. And while the employees are working in the

building? A. Just at a certain time during the day

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9342

Taylor

Q. What time during the night is that operation?

A. It isn't night exactly. It is 6.30 in the morning, and I think in the day-shift it is 4 o'clock.

THE COMMISSIONER: What is he working in, wools?

BY MR. McRUER: Q. What type of yarn are you working on? A. Every kind, - wools, cotton, mercerized.

Q. Rayon? A. Rayon, yes.

Q. Are there any girls that work on the same type of work that you work on? A. Yes.

Q. Exactly the same kind of work? A. Exactly the same.

Q. And do you know if they earn the same as you earn? A. Yes, sir.

Q. They are paid at the same rate as you? A. They work ten hours, but we are all paid the same rates.

Q. But they don't work as long as you do? A. No.

Q. You work 12 hours? A. Yes. That is one

thing. When we went after more money we asked for a special night rate. We thought that when we worked months at a time, or work nights all the time we ought to have more money.

BY THE COMMISSIONER: Q. The women do not work nights? A. No.

BY MR. McRUER: Q. Well, are you paid at the same rate for the extra two hours you work longer than the girls work? A. Well, you see we are on a piece work rate all the time.

Q. I see, it is always the same rate? A. Well, yes.

Taylor

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Q. What time during the night is that operation?  
A. It isn't night exactly. It is 8.30 in the morning  
and I think in the day-shift it is 4 o'clock.

THE COMMISSIONER: What is he working in, wool?  
BY MR. TAYLOR: That type of yarn are you working  
in, wool, or is it cotton, or is it wool?

A. Yes, yes.

Q. Are there any girls that work on the same type

of work that you work on?  
A. Yes.

Q. Exactly the same kind of work?  
A. Exactly the

Q. And do you know if they earn the same as you earn

A. Yes, sir.

Q. They are paid at the same rate as you?  
A. They

work ten hours, but we are all paid the same rates.

Q. But they don't work as long as you do?  
A. No.

Q. You work 12 hours?  
A. Yes. That is one

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a special night rate. We thought that when we worked

months at a time, or work nights all the time we ought

to have more money.

BY THE COMMISSIONER: The women do not work nights

A. No.

Q. Well, are you paid at the same

rate for the extra two hours you work longer than the

is work?  
A. Well, you see we are on a piece work

all the time.



CROSS-EXAMINATION BY MR. KELLOCK,

Q. Mr. Taylor, you spoke of sometimes earning as much as \$18 a week? A. Correct.

5 Q. And sometimes \$11? A. Correct.

Q. And would that be when you were working on the same kind of material? A. Correct.

Q. And that, as you explained, was due to the fact that there was not the work there to do?

10 A. Exactly.

Q. That is, if the work had been there to do in one week the same as the other, then you would earn \$18 one week just as easily as the other week?

15 A. Yes.

Q. That is what you mean by slack time? A. Correct.

Q. Now, you spoke a little earlier about the tuck lines, and that there had been a raise in the piece work rate from  $7\frac{1}{2}\phi$  to  $9\frac{1}{2}\phi$ ? A. That is right.

20 Q. Now, the  $7\frac{1}{2}\phi$  rate had been in force for two years?

A. Correct.

Q. And at that time you got a raise from  $6\frac{1}{2}\phi$ ?

A. To  $7\frac{1}{2}\phi$ ?

25 Q. To  $7\frac{1}{2}\phi$ , yes. How long had the  $6\frac{1}{2}\phi$  rate been

in force? A. Well, I really couldn't say. It was in force when I started to work there.

30 Q. So that, on that particular line you have been consistently raised, first from  $6\frac{1}{2}\phi$  to  $7\frac{1}{2}\phi$ , and then from  $7\frac{1}{2}\phi$  to  $9\frac{1}{2}\phi$ ? A. Well, I will say there are two different kinds of machines; there are reverse

INTERVIEW OF MR. TAYLOR

Q. Mr. Taylor, you spoke of sometimes earning as much as \$18 a week? A. Correct.

Q. And would that be when you were working on the same kind of material? A. Correct.

Q. And that, as you explained, was due to the fact that there was not the work there to do?

Q. That is, if the work had been there to do in one week the same as the other, then you would earn \$18 one week just as easily as the other week?

Q. That is what you mean by slack times? A. Correct.

Q. Now, you spoke a little earlier about the slack times, and that there had been a raise in the piece work rate from 7 1/2 to 8 1/2? A. That is right.

Q. Now, the 7 1/2 rate had been in force for two years? A. Correct.

Q. And at that time you got a raise from 6 1/2 to 7 1/2?

Q. To 7 1/2, yes. Now I am not sure the rate had been in force?

Q. Well, I really couldn't say. It was in force when I started to work there.

Q. So that, on that particular line you have been consistently raised, first from 6 1/2 to 7 1/2, and then from 7 1/2 to 8 1/2?



platers and spirals. We had our raise on the spirals, but the reverse platers never got a raise; but theirs is a cheaper class of work and they can get out a little more production.

5

Q. Those, as you say, have a little cheaper class of work?

A. And the machines are faster machines.

Q. And they get out more work and they equalize in that way?

A. Not exactly.

10

Q. Well, in any event, you are the man that got the raise?

A. That is right.

Q. And you cannot speak personally as to the others?

A. No, that is right.

15

Q. And when the rate was changed from  $6\frac{1}{2}¢$  to  $7\frac{1}{2}¢$  was it in connection with a more expensive line?

A. Yes, we are doing a better class of line than those other machines.

20

Q. I see. So that when the change came about two years ago, and a short time ago, there was also some change in the material you were working with?

A. No, the material was the same.

25

Q. But in connection with a more expensive article?

A. Yes; we were getting the same wage on the more expensive article as we were on the cheaper article at that time.

30

Q. But when the increase was given it was given on the more expensive article?

A. It was increased on the more expensive article, yes.

platers and spirals. We had our raise on the spirals,  
but the reverse platers never got a raise; but their  
is a cheaper class of work and they can get out a little  
more production.  
Q. Those, as you say, have a little cheaper class  
of work?  
A. And the machines are faster machines  
Q. And they get out more work and they equalize  
in that way?  
A. Not exactly.  
Q. Tell, in any event, you are the man that got  
the raise?  
A. That is right.  
Q. And you cannot speak personally as to the others?  
A. No, that is right.  
Q. And when the rate was changed from 60¢ to 75¢  
was it in connection with a more expensive line?  
A. Yes, we are doing a better class of line than those  
Q. I see. So that when the change came about  
two years ago, and a short time ago, there was also  
some change in the material you were working with?  
A. No, the material was the same.  
Q. But in connection with a more expensive  
article?  
A. Yes; we were getting the same wage  
on the more expensive article as we were on the cheaper  
article at that time.  
Q. But when the increase was given twice given on  
the more expensive article?  
A. It was increased  
on the more expensive article, yes.

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Q. Yes, I see. Now, have you had any other increases in the last two years, in the last three years that you have been knitting, that you recall?

A. No, just those two.

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Q. Those are all that you recall? A. Yes.

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Q. Now, I am, was, says you had any other  
increases in the last two years, in the last three  
years that you have been knitting, that you recall?  
A. No, just those two.  
Q. Those are all that you recall?  
A. Yes.

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Q. Now, you said that the last pay period that you got -- you made \$17 for 60 hours? A. Correct.

Q. That is \$34 for the two weeks? A. Yes, sir.

Q. You said you had to work hard? A. I never

5 worked so hard for that.

Q. Alright, when you are on piece work rates if the material is there and -- you do it, and if the material isn't there you wait till it comes around?

10 A. That is right. We have right now, I should say we have three machines down waiting for material.

Q. In the time when there isn't so much work to do you might be working a number of hours, perhaps a couple of hours and have to wait an hour before there is any more work to do? A. No, I will

15 tell you something. Just a little while ago we were real slack. There wasn't enough machines for two and too many for one. Well, one went in and worked it that way and he ran as many machines as he could possibly do. We worked week about. That was the night shift. I think the day shift was all in.

20 Q. What I was getting at, supposing there is no change in the number of operatives; you are perhaps not using the same number of machines but there is no change in the number of operators. If the time is slack, as you spoke of, and there isn't as much work to do I suppose there are times when you would run out and have to wait a while for other work to come along for you to do? A. Well, you

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Q. You said you had to work hard? A. I never  
worked so hard for that.  
Q. That is \$34 for the two weeks? A. Yes, sir.  
Q. You got -- you made \$17 for 60 hours? A. Correct.  
Q. That is right. We have right now, I should say  
we have three machines down waiting for material.  
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is slack, as you spoke of, and there isn't as much  
work to do I suppose there are times when you would  
run out and have to wait a while for other work  
to come along for you to do? A. Well, you

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see, we have a number of machines. I run around 14 and 15 machines.

Q. So there would always be enough work for you to work some of the machines? A. There would al-

5 ways be some of the machines running.

Q. But there would not be enough for them all?

A. No, sir.

Q. When you are very busy that is because there is the work there to do? A. That is right.

10 Q. Did you ever complain to anybody -- rather, I will put it this way, is it your complaint when you are busy that you have too many machines to look after?

A. When we run around 14 and 15 -- I would say a set really, 12 machines, is enough; any more than that, you are really too busy to look after your work right and inspect your work properly.

15 BY THE COMMISSIONER: Q. How many are you running?

A. I am running -- I think we have 12 machines running now.

20

Q. You say 12 is enough? A. Yes.

BY MR. KELLOCK: Q. You say 12 is enough; that is what you have running now? A. Yes.

Q. How long have you had 12 machines running?

25 A. I think one night I had in last week we had 11 and another night we had 13; it is up and down like that all the time. I cannot exactly say how many machines we are running all the time. It is up and down all the time. Every night it is different.

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Q. How many have you operated at one time yourself?

Taylor,

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Q. Now, we have a number of machines, I was saying, is  
and is running.

Q. So there would always be enough work for you to  
work some of the machines?

A. There would al-  
ways be some of the machines running.

Q. But there would not be enough for them all?  
A. No, sir.

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is the work there to do?

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after your work right and inspect your work properly.

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A. I am running -- I think we have 12 machines running.

Q. You say 12 is enough?  
A. Yes.

BY MR. KIRKWOOD: Q. You say 12 is enough; that is  
what you have running now?

A. Yes.  
Q. How long have you had 12 machines running?

A. I think one night I had in last week we had 11  
and another night we had 12; it is up and down like

that all the time. I cannot exactly say how many  
machines we are running all the time. It is up and  
down all the time.



A. I have operated as many as 18 machines.

Q. Would that be because there were employees that had been operating some of these machines that were off?  
A. Correct.

5 Q. Now, did you ever speak to anybody and ask to be allowed to run <sup>a</sup> fewer number of machines than you say is sufficient, that is 12?  
A. Ask for more?

Q. No, ask for less?  
A. No.

10 Q. I see; when you say you found that 12 is enough, those times when you have run more than 12 you never told anybody about it?  
A. That is right.

Q. Why don't you? Why just mention it here this morning?

MR. McRUER: You increase the wages --

15 MR. KELLOCK: Just let the witness give the evidence, please. Why didn't you speak to somebody, Mr. Taylor? When you asked for an increase you got it, you know. Why didn't you point out to your foreman that in your opinion more than 12 machines was too much? Did you ever try that?  
A. No.

20 Q. Well, you try that some time. When you are working on the night shift what time do you quit in the morning?  
A. We go in at six and work till seven.

25 Q. And the day shift comes in when?  
A. At seven and works till six.

Q. You go out and they come in?  
A. Yes, the machines are going all the time.

30 Q. Is it necessary to clean them off or are they

1. I have operated as many as 18 machines.

2. Would that be because there were employees that had been operating some of these machines that were

off? A. Correct.

3. Now, did you ever speak to anybody and ask to be allowed to run a lower number of machines than you say is sufficient, that is 18? A. Ask for more?

4. No, ask for less? A. No.

5. I see; when you say you found that 18 is enough these times when you have run more than 18 you never told anybody about it? A. That is right.

6. Why don't you? Why just mention it here this morning?

MR. McRURRY: You increase the wages --

MR. KILLICK: Just let the witness give the evidence

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You know. Why didn't you point out to your foreman

that in your opinion more than 18 machines was too

much? Did you ever try that? A. No.

7. Well, you try that some time. When you are

working on the night shift what time do you quit in

the morning? A. We go in at six and work

till seven.

8. And the day shift comes in when? A. At

seven and works till six.

9. You go out and they come in? A. Yes, the

machines are going all the time.

10. Is it necessary to clean them off or are they



left like that without cleaning at any time?

A. Well, they are cleaned off once a week.

Q. You spoke of the time when they are cleaned off --

A. They are blown off every morning by the fixer.

Q. I was asking you is that necessary or could  
that be dispensed with? A. No, it is necessary.

Q. So there is no escape from that? A. No.

Q. Now, do you know what your average earnings  
per hour would be when you started in as a knitter on  
piece work? A. No, I cannot exactly say.

Q. Do you know what they are to-day? A. No, it  
is up and down so much I really cannot say.

Q. You mean your weekly earning is up and down?  
A. Yes, sir.

Q. Would you agree with me that your hourly rate,  
that you can make a good deal more on an hourly basis  
now than you could when you started three years ago?  
A. On knitting, you mean?

Q. On knitting, yes? A. No, it is about the same.

Q. Well, it rather indicates, Mr. Taylor -- do you  
agree with this that your average hourly earnings  
in 1932, that is the year 1932, were 16 cents, that  
would be about the year you started, and so far this  
year your average hourly earnings appears to be 30½¢?  
A. 30½¢?

Q. Per hour? A. I never said that.

Q. No, I am asking you, the records show that?

A. I didn't get 30½¢ an hour. That would bring my  
wages up to \$18 a week, a little over \$18 a week.

left like that without cleaning at any time?

A. Well, they are cleaned off every morning by the fixer.

Q. You spoke of the time when they are cleaned off?

A. They are blown off every morning by the fixer.

Q. I was asking you is that necessary or could

they be dispensed with? A. No, it is necessary.

Q. So there is no escape from that? A. No.

Q. Now, do you know what your average earnings

per hour would be when you started in as a knitter on

place work? A. No, I cannot exactly say.

Q. Do you know what they are today? A. No, it

is up and down so much I really cannot say.

Q. You mean your weekly earnings is up and down?

A. Yes, sir.

Q. Would you agree with me that your hourly rate,

that you can make a good deal more on an hourly basis

now than you could when you started three years ago?

A. On knitting, you mean?

Q. On knitting, yes? A. No, it is about the

same. Well, it rather fluctuates, Mr. Weyler -- do you

agree with this that your average hourly earnings

in 1928, that is the year 1928, was 10 cents, that

would be about the year you started, and so for this

year your average hourly earnings appears to be 30c?

A. I never said that.

Q. No, I am asking you, the records show that?

A. I didn't get 30c an hour. That would bring my

average up to \$18 a week, a little over \$18 a week.



Q. If you worked full time.

THE COMMISSIONER: Is there any question of him working full time?

MR. McRUER: He has been working 120 hours, haven't you, in two weeks? A. Yes, I have.

BY THE COMMISSIONER: Q. That is what you are working now? A. Yes.

BY MR. McRUER: Q. You were working it last February according to this pay roll? A. Correct.

BY MR. KELLOCK: Q. Well -- A. But I don't mean when I say that that I have been on every week like that, you know.

Q. I am just talking of the average; you have never sat down and made a computation of the number of hours you worked so far in 1936 and the amount of money you have been paid and tried to find out how much an hour it was, have you? A. No, not exactly.

Q. And some pay days you have been paid more than \$36.00, haven't you, this year? A. This year?

Q. Yes; do you remember one week getting \$37.30 -- I should say one pay because that covers two weeks.

MR. McRUER: For how many hours.

BY MR. KELLOCK: Q. I am just asking the witness his recollection. A. \$37.00.

Q. Do you remember that? A. Well, I guess that would be 120 hours.

Q. Do you remember getting \$39.90 for 120 hours? A. No.

Q. Do you remember getting \$40.85 for 120 hours? A. This year?

Q. If you worked full time.

THE COMMISSIONER: Is there any possibility of this

working full time?

MR. MORRIS: He has been working 120 hours, haven't

you, in two weeks? A. Yes, I have.

BY THE COMMISSIONER: Q. That is what you are work-

ing now? A. Yes.

BY MR. MORRIS: Q. You were working it last February

according to this pay roll? A. Correct.

BY MR. KILLOCK: Q. Well -- A. But I don't know

when I say that I have been on every week like

that, you know.

Q. I am just talking of the average; you have never

sat down and made a computation of the number of hours

you worked so far in 1935 and the amount of money you

have been paid and tried to find out how much an hour

it was, have you? A. No, not exactly.

Q. And some pay days you have been paid more than

\$36.00, haven't you, this year? A. This year

Q. Yes; do you remember one week getting \$37.30 --

I should say one pay because that covers two weeks.

MR. MORRIS: For how many hours.

BY MR. KILLOCK: Q. I am just asking the witness

testimony.

Q. Do you remember the? A. Well, I guess the

would be 120 hours.

Q. Do you remember getting \$39.00 for 120 hours?

A. No.

Q. Do you remember getting \$40.35 for 120 hours?



Q. Yes?

A. I don't recall that.

Q. On the 28th of February this year.

MR. McRUER: The 28th of February?

MR. KELLOCK: Yes. Do you remember that?

A. I may have got that.

Q. Do you remember on the 13th of March getting \$43.20 in your pay envelope?

A. I don't recall that.

Q. You don't remember? A. No.

Q. Alright, Mr. Taylor, thank you.

MR. McRUER: Have you got a list of his pays, of the low pays as well as the higher ones over a period?

MR. KELLOCK: Yes, for 1936 I have.

MR. McRUER: No, going back over the period of three years.

MR. KELLOCK: No.

MR. McRUER: Is this all of his pays?

MR. KELLOCK: No, just some of them, over the period that was mentioned --

MR. McRUER: Well, probably Mr. Lundy could have it ready for us when I come to examine him on this particular evidence. He has evidently looked that up last night. All the pay over the last five years?

MR. KELLOCK: We haven't got that; that is a tremendous job. We have got the years that are relevant, the years that have been stressed here, 1936 and 1932.

MR. McRUER: But, their low pays as well as their high ones?

MR. KELLOCK: Yes, certainly, I have got them here

Q. Yes? A. I don't recall that.

Q. On the 28th of February this year.

MR. McNEIL: The 28th of February?

MR. McNEIL: Yes. Do you remember that?

A. I may have got that.

Q. Do you remember on the 11th of March getting

\$43.20 in your pay envelope?

A. I don't recall that.

Q. You don't remember?

A. No. Q. All right, Mr. Taylor, thank you.

MR. McNEIL: Have you got a list of his pays, of

the low pays as well as the higher ones over a period

MR. McNEIL: Yes, for 1936 I have.

MR. McNEIL: No, going back over the period of three

years.

MR. McNEIL: No.

MR. McNEIL: Is this all of his pays?

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period that was mentioned --

MR. McNEIL: Well, probably Mr. Bundy could have it

ready for us when I come to examine him on this

particular evidence. He has evidently looked that

up last night. All the way over the last five years

MR. McNEIL: We haven't that; that is a tremendous

job. We have got the years that are relevant,

the years that have been stressed here, 1936 and 1937

MR. McNEIL: Yes, certainly, I have got them here



for 1932 and 1936.

MR. McRUER: Well, let us see them because all we want is the facts.

MR. KELLOCK: That is all I want. I hope you are not suggesting I want anything else.

MR. McRUER: I see in 1929, Mr. Taylor, on this list for the pay ending the 31st of May, 1929 for 69 hours you got \$9.80 --

MR. KELLOCK: He was a yarn boy then.

BY MR. McRUER: Q. You were a yarn boy at that time?

MR. KELLOCK: 1932 is the only year that is relevant. You see, his per hour earnings are uniformly up.

MR. McRUER: Your average for 1929 as a yarn boy was apparently 14 cents --

MR. KELLOCK: He was paid \$7.00 a week, he said

BY MR. McRUER: Q. I would like to find out what a boy who started at 14 years, how long he had to work?

A. I worked two years for \$7.00 a week and I think I worked a year for \$8.00 a week and I was raised to \$9.00.

Q. As a fourteen year old boy how many hours a day did you work?

A. Nine.

Q. Pardon?

A. Nine hours.

Q. You worked nine hours a day as a fourteen year old boy. Then we come to 1932, in January, for 109-3/4 hours you got \$18.05. The next pay in January for 107 1/4 hours \$17.15. In February, 1932 for 104 hours \$16.70. In February, 1932, 58 hours \$9.30.

A. May I say that was a 25 cents an hour job too.

for 1932 and 1933.

MR. McNEIL: Well, let us see them because all

we want is the facts.

MR. McNEIL: That is all I want. I hope you are

not suggesting I want anything else.

MR. McNEIL: I see in 1932, Mr. Taylor, on this list

for the pay ending the first of May, 1932 for 69 hours

You got \$9.80 --

MR. McNEIL: He was a yarn boy then.

BY MR. McNEIL: You were a yarn boy at that time

MR. McNEIL: 1932 is the only year that is relevant

You see, his per hour earnings are uniformly up.

MR. McNEIL: Your average for 1932 as a yarn boy

was approximately 14 cents --

MR. McNEIL: He was paid \$7.00 a week, he said

BY MR. McNEIL: I would like to find out what a

who started at 14 years, how long he had to work?

A. I worked two years for \$7.00 a week and I think I

worked a year for \$8.00 a week and I was raised to

\$9.00.

Q. as a fourteen year old boy how many hours a day

did you work? A. Nine.

Q. How many hours a day?

Q. How many hours a day?

old boy. Then we came to 1932, in January, for

for 10 1/2 hours \$11.15. In February, 1932 for 10 1/2

hours \$12.70. In February, 1932, 28 hours \$9.20.

A. May I say that was a 25 cents an hour job too.



Q. Pardon? A. It was worth 25 cents an hour.

Q. Why do you say that? A. It was hard work.

Q. What were you doing? A. The yarn room was built; they had a new system for working up there, and the yarn room was built and myself and another person were put down there. We asked for another helper and we never got it. I asked for more money and I never got it.

Q. Now, this strikes me as rather curious that for the whole of the year 1932 according to this table your earnings were exactly 16 cents an hour.

MR. KELLOCK: The average.

MR. McRUIER: No, it works out every pay roll paying the same. Now, I wonder, with what we heard yesterday from Mr. Lundy that there are variations on material and there was this and that, and we could hardly tell what rate anybody was being paid at, and you apparently were paid every week at the rate of 16 cents an hour? A. Correct.

Q. How can it work out that way? I would think some weeks you would do more and some weeks there would be less, and sometimes you would have 16 and sometimes 15 and sometimes 17. How can it work out over a whole year consistently every week at 16 cents an hour? A. Well now, you mean if I worked overtime that would bring it up? There would be still the hour rate though.

Q. Yes, I know, but you would think that some hours you might earn 16 cents and in others -- A. Well,

Taylor,

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Q. What were you doing?  
A. The yarn room was built; they had a new system for working up there, and the yarn room was built and myself and another person were put down there. We asked for another helper and we never got it. I asked for more money and I never got it.  
Q. Now, this strikes me as rather curious that for the whole of the year 1928 according to this table your earnings were exactly 16 cents an hour.  
MR. ROLLOCK: The average.  
MR. ROLLOCK: No, it works out every day of the year the same. Now, I wonder, with what we heard yesterday from Mr. Lindy that there are variations on material and there was this and that, and we could hardly tell what rate anybody was being paid at, and you apparent were paid every week at the rate of 16 cents an hour?  
A. Correct.  
Q. You can it work out that way? I would think some weeks you would be here and some weeks there would be less, and sometimes you would have 16 and sometimes 15 and sometimes 14. How can it work out over a whole year consistently every week at 16 cents an hour?  
A. Well now, you mean if I worked overtime that would bring it up? There would be still the hour rate.  
Enough.  
A. Yes, I know, but you would claim that some hours you might earn 16 cents and in others --

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this was a set wage.

Q. Is it a set wage in 1932? A. That is on the yarn boy. That was not a piece work job.

Q. You were a yarn boy in 1932? A. Yes.

Q. Then, we haven't 1933; I thought we had the relevant years here but we haven't. That is what I would like to get, the relevant years. The years 1933-- did you start in 1933 as a knitter?

A. Yes.

Q. 1933, 1934, 1935 and 1936. I would like to have them if I can. Now, apparently in January, 1936 \$17.35 was your weekly wage for 60 hours, and I notice in June, only June last of this year you worked 133 hours in that week, or over the two week period for \$38.00 or \$19 a week, working 133 hours. Mr. Kellock, do you think, now that they have taken the trouble to get off as much as this, that we could have the other years too, on Mr. Taylor.

MR. KELLOCK: 1933?

MR. McRUER: 1933, 1934 and 1935.

MR. KELLOCK: I am quite sure we could. We would be glad to get it.

BY MR. McRUER: Q. Now, I want to make sure I understand this, Mr. Taylor; you said that when things got slack instead of giving one man a few machines he would be laid off and the other man would have more machines?

A. We worked week about for a while.

Q. You worked week about? A. Yes, correct.

this was a set wage.

Q. Is it a set wage in 1932?

A. That is on

the yarn boy. That was not a piece work job.

Q. You were a yarn boy in 1932?

A. Yes.

Q. Then, we haven't 1932; I thought we had the

relevant years here but we haven't. That is what I

would like to get, the relevant years. The years

1932 -- did you start in 1932 as a knitter?

A. Yes.

Q. 1932, 1934, 1935 and 1936. I would like to

have them if I can. Now, apparently in January, 1932

\$17.55 was your weekly wage for 60 hours, and I

notice in June, only June last of this year you

worked 133 hours in that week, or over the two week

period for \$38.00 or \$19 a week, working 133 hours.

Mr. Kellogg, do you think, now that they have taken

the trouble to get off as well as this, that we

could have the other years too, on Mr. Taylor.

MR. TAYLOR: Yes.

MR. WOLFE: 1932, 1934 and 1935.

MR. TAYLOR: I am quite sure we could. We would

be glad to get it.

BY MR. McBRIDE: Q. Now, I want to make sure I understand

you are saying that you were a knitter

Got black instead of giving one man a few machines

he would be laid off and the other man would have

more machines?

A. We worked week about for

while.

Q. You were a knitter?

A. Yes.



Q. So that apparently in slack periods the employees relieved the situation by not working? A. Correct.

Q. And the man that was put on to work was given more machines? A. That is right.

5 Q. So that where you might be doing 12 machines --

A. We had 18 or 19.

Q. One would be laid off and one man would do 18 or 19? A. That is right.

10 Q. And I want to know this, when your wages were increased two weeks ago did you find it easier or harder to make \$17 or \$18 a week? A. Easier.

Q. It was easier to make it. The result was it was an increase? A. Yes, that is right.

15 Q. But even with the increase you say that you are taxed to the limit of your physical ability when you are earning up to \$17 a week? A. Yes, sir.

Q. Alright, thank you.

20 BY MR. KELLOCK: Q. But you never complained about it to anybody? A. That is right.

BY MR. McRUM: Q. Just a moment, do the machines run during lunch hours? A. No, not ours.

Q. They don't? A. Some do up there.

25 Q. Well, come back for a minute, Mr. Taylor; I want to know something more about conditions. Have you any dining room for the night shift, any place to go to eat? A. Yes, we have a dining room.

Q. You have a dining room or cafeteria? A. Yes, sir.

30 Q. Alright, thanks, that is all.





LESLIE SMITH, sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Smith, you work in number one mill?

A. Yes, sir.

Q. How old are you? A. 21.

Q. How long have you been working in number one mill?

A. About seven years.

Q. You started when you were 14? A. Yes.

Q. In what capacity did you work there when you were 14? A. I started at \$7.00 a week.

Q. What were you doing? A. Chore boy.

Q. You were a chore boy; is that what they call a yarn boy? A. No, -- yes, sweeping the floor and different jobs.

Q. Carrying yarn and so on? A. Yes.

Q. How many hours a day did you work? A. Nine.

Q. Nine hours; and how long were you a chore boy?

A. About two years, I guess, or a year and a half.

Q. What did you do then? A. Knitting.

Q. You started in knitting? A. Yes.

Q. So you have been knitting for how many years?

A. Four or five, I guess.

Q. Four or five years; and when you started knitting how much a week did you earn? A. 18 cents an hour.

Q. 18 cents an hour --

THE COMMISSIONER: Did he say he has been knitting for five years?

MR. McRUER: Yes, my lord. That is at the knitting?

There is at the Knitting . . .



A. Yes.

Q. Were you paid by the hour or by piece work?

A. By the hour.

Q. At first? A. Yes.

Q. Then, how long were you paid by the hour?

A. About a year, I would say.

Q. About a year, and then you went on piece work?

A. Yes.

Q. How much were you able to earn on piece work?

A. About \$25, that is for two weeks.

Q. About \$25 for two weeks; that would be about  
\$12.50 a week? A. Yes.

Q. Were you doing the same kind of work as Taylor?

A. Yes, sir.

Q. The same sort of machines? A. No, I am on  
Banner machines.

Q. Which? A. Banner machines.

Q. What is the difference in regard to that, does  
it turn out as much? A. They are about the same.

Q. Are you paid at the same rate per dozen?

A. No, there is different rates and different lines.

Q. Different rates and different lines. Have you  
had any change in the rate you have been paid at?

A. No, sir.

Q. You didn't get the raise that those other  
fellows got? A. No, sir.

Q. Were you one of the group that went to ask for  
the raise? A. No, sir.

Q. You didn't ask for it? A. No.

Q. Were you paid by the hour or by piece work?

A. By the hour.

Q. At first?

A. Yes.

Q. Then, how long were you paid by the hour?

A. About a year, I think.

Q. About a year, and then you went on piece work?

A. Yes.

Q. How much were you able to earn on piece work?

A. About \$15, that is for two weeks.

Q. About \$15 for two weeks; that would be about

\$15.00 a week?

A. Yes.

Q. Were you doing the same kind of work as factory

work?

Q. The same sort of machine?

A. No, I am on

Banner machines.

Q. What is the difference in regard to that, does

it turn out as much?

A. They are about the same.

Q. Are you paid at the same rate per dozen?

A. No, there is different rates and different lines.

Q. Different rates and different lines. Have you

had any change in the rate you have been paid at?

A. No, sir.

Q. You didn't get the raise that those other

fellows got?

A. No, sir.

Q. Were you one of the group that went to ask for

the raise?

A. No, sir.

Q. You didn't go for it?

A. No.



Q. Do you all work on the same floor? A. Yes.

Q. You are all in the same group; well, how much a week are you able to earn now? A. Right now?

Q. Yes? A. Not very much, I don't know just what it would be.

Q. How many hours are you working? A. I work ~~xx~~ a week days and a week nights turn about, 50 hours day and 60 night.

Q. 50 hours in the day time and 60 at night?

A. Yes.

Q. Well, is there any slackening in your hours at all? A. No.

Q. Do you know what your last pay was? A. I think I made --

Q. Yes? A. I had a week off. It was \$19, I think.

Q. \$19 for a week, and have there been any changes in the piece work rate? A. No, none whatever.

Q. None whatever? A. No.

Q. Have you been at the same piece work rate all through? A. Yes.

Q. As long as you have been there? A. Yes.

Q. Well then, have you had more machines to look after, or given more machines at all? A. Yes, we have too many, I think.

Q. Why do you say you have too many machines?

A. Well, mine is all cut-offs.

Q. Pardon? A. Mine is all cut-offs. They come down in strings and they have to be cut off with

Q. Do you all work on the same floor?

A. Yes.

Q. You are all in the same ground; well, how much

a week are you able to earn now?

A. Yes? .. Not very much, I don't know just

what it would be.

Q. How many hours are you working?

A. I work

in a week days and a week night is run about, 80 hours

at all?

A. Yes.

Q. Well, is there any slackening in your hours

at all?

A. No.

Q. Do you know what your last pay was?

A. I

think I made --

.. Yes?

A. I had a week off. It was

\$19, I think.

Q. \$19 for a week, and have there been any changes

in the piece work rate?

A. No, none whatever.

Q. None whatever?

A. No.

Q. Have you been at the same piece work rate all

the time?

A. Yes.

Q. As long as you have been there?

A. Yes.

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the scissors.

Q. Tell me what you mean by that? A. The socks are all joined together when they come down and they have to be cut with the scissors, separated, and we have about 15 or 16 machines and it keeps you pretty busy.

Q. You are not knitting now? A. Yes, I am knitting now.

Q. But the stockings come down in a string and you have to cut them in two? A. Yes.

Q. How many machines have you got to look after? A. I had 16 yesterday.

Q. Well, will your machines turn out per machine about the same number of socks as Taylor's?

A. Yes, they all turn out about five dozen a night.

Q. And do you have to do bonus work when you do bad work? A. Yes.

Q. Are you fined in the same way? A. Yes.

Q. And at the same rate; do you have to do 20 extra for every ten? A. Yes, two for one.

Q. Two for one? A. Yes.

Q. That would be if you had one dozen bad socks --

A. You have to give them two dozen.

Q. You have to give them two dozen for it?

A. Yes.

THE COMMISSIONER: And he is paid for one dozen.

BY MR. McRUER: Q. You give them two dozen for that?

A. You are paid for the bad dozen.

THE QUESTION.

Q. Tell me what you mean by that?

books are all joined together when they come down

and they have to be out with the seasons, separated,

and we have about 15 or 16 machines and it keeps you

pretty busy.

Q. You are not knitting now?

A. Yes, I am knitting

Q. But the stockings come down in a string and you

have to cut them in two?

A. Yes.

Q. How many machines have you got to look after?

A. I had 16 yesterday.

Q. Well, will your machines turn out per machine

about the same number of socks as yesterday?

A. Yes, they all turn out about five dozen a night.

Q. And do you have to do bonus work when you do be

work?

A. Yes.

Q. Are you fined in the same way?

A. Yes.

Q. And at the same rate; do you have to do 20 extra

for every ten?

A. Yes, two for one.

Q. Two for one?

A. Yes.

Q. That would be if you had one dozen bad socks --

A. You have to give them two dozen.

Q. You have to give them two dozen for 1?

A. Yes.

THE COMMISSIONER: And he is paid for one dozen.

BY MR. McHUGH: Q. You give them two dozen for the

for the bad dozen.

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Q. You are paid for the bad dozen.

THE COMMISSIONER: He makes three dozen and is paid for one.

BY MR. McRUER: Q. Do you know if this mill sells seconds? A. I cannot tell you that.

Q. You don't know?

THE COMMISSIONER: We should find out what becomes of the bad dozen.

THE WITNESS: I guess they<sup>go</sup> for firsts.

BY MR. McRUER: Q. Have the styles changed much in the time you have been knitting? A. Well, just lately they have been putting a lot of attachments on the machines for the elastic top.

Q. Does that give you more work to attend to, more to look after? A. Yes.

Q. And no change made in your rate on that?

A. Yes, they have raised those prices a little, sir.

Q. They have raised the ones that have the attachment for the elastic tops, they have changed them?

A. Yes.

Q. Now, can you tell me if there have been any efforts made among the employees at number one mill to organize them into a union? A. I don't know, not in our department, I don't think.

Q. Nobody has been canvassing you to join a union or anything of that sort? A. Yes.

Q. They have canvassed you? A. Yes.

Q. When were you canvassed to join a union?

A. About three weeks ago.

paid for the bad boxes.

THE COMMISSIONER: We should find out what process

For one.

BY MR. McRUR: 1. Do you know if this will really

A. I cannot tell you that.

secondly?

THE COMMISSIONER: We should find out what process

of the bad boxes.

THE COMMISSIONER: I would like to know what process

AT THE COMMISSIONER: I would like to know what process

time you have some collection they have been putting a lot of attachments on the

machines for the elastic top.

Q. Does that give you more work to attend to, more

A. Yes.

to look after?

A. Yes, I would like to know what process

Q. Yes, I would like to know what process

Q. They have to make the ones that are attached

for the elastic top, they have changed them?

A. Yes.

Q. Yes, I would like to know what process

Q. Yes, I would like to know what process

Q. Yes, I would like to know what process

Q. Yes, I would like to know what process

A. Yes.

or anything of the sort?

A. Yes.

Q. They have answered you?

Q. Yes, I would like to know what process

A. About three weeks ago.



Q. About three weeks ago? A. Yes.

Q. But there is no union there at the present time?  
A. No.

Q. No organization? A. No.

5 Q. Have the management made their views --

THE COMMISSIONER: Where did the canvassing come from,  
somebody outside the mill?

10 BY MR. McRUER: Q. Was it someone outside that was  
here trying to organize a union? A. It was somebody  
in the town.

Q. Somebody in the town? A. But not in the mill.

15 Q. Not in the mill, and did the management of the  
mill express any views to the employees that you heard  
about? A. No, none whatever.

Q. Make any views known about their attitude toward  
a union? A. No.

Q. Alright, thank you.

---

20 CROSS-EXAMINED BY MR. KELLOCK:

25 Q. Mr. Smith, apparently you had some increase in  
your piece work rates since you have been a knitter;  
you just told my friend about some increase a minute  
ago? A. Yes, they have not got them  
running yet.

Q. But that is an increase, and as soon as they  
get it running you will get the benefit of it; is that  
it? A. Yes.

30 Q. And you have been a knitter, you said, for about  
five years; that would be since 1931? A. Roughly,  
yes.

Q. But there is no union there at the present time

A. No.

Q. Have the management made their views --

THE COMMISSIONER: Where did the conversing come from

somebody outside the mill?

BY MR. MORRIS: Was it someone outside that was

here trying to organize a union? A. It was somebody

in the town.

Q. Somebody in the town? A. But not in the mill

Q. Not in the mill, and did the management of the

mill express any views to the employees that you hear

about? A. No, none whatever.

Q. Have any views known about their attitude toward

a union? A. No.

CROSS-EXAMINED BY MR. KELLOCK:

Q. Mr. Smith, apparently you had some increase in

your piece work rates since you have been a knitter;

you just told my friend about some increase a minute

ago? A. Yes, they have not got them

yet.

Q. But that is an increase, and as soon as they

get it running you will get the benefit of it; is that

A. Yes.

Q. And you have been a knitter, you said, for about

five years; that would be since 1931?



Q. There have been no decreases in that time so far as you are concerned? A. No.

Q. I suppose you know -- do you agree that in those years from 1931 on there were times when business was pretty slack in the mill? A. Yes.

Q. And was there an effort made to keep you working, with and the other boys working ~~when~~ you, and spread the employment around? A. One time there I got fed up and I quit.

Q. One time you quit; I was not asking you about that. I was asking you as to whether or not in these slack times you were kept on and given work at least part time and the other boys the same? A. Yes.

Q. Some of them were not laid off and the other boys kept busy but the work was spread around? A. Yes.

Q. That has been so the last five years you have been a knitter? A. Yes.

Q. And at the same time no decrease at all in your rates? A. No.

Q. Now, when you started in as a knitter you were paid by the hour while you were learning to be a knitter; is that right? A. Yes.

Q. And would it be true while you were learning and being paid by the hour if you had been put on piece work rates you would not have been able to earn what you were paid by the hour? A. I think I would.

Q. You think you would? A. Yes.

Q. In any event, you were paid by the hour and there

Q. There have been no decreases in that time so far

A. No.

Q. I suppose you know -- do you agree that in those

years from 1931 on there were times when business was

very slow?

Q. And was there an effort made to keep you working

with

and the other boys working when you, and spread the

employment around?

A. One time there I

quit and I quit.

Q. One time you quit; I was not asking you about

that. I was asking you as to whether or not in the

along times you were kept on and given work at least

part time and the other boys the same?

A. Yes.

Q. Some of them were not laid off and the other

boys quit anyway but the work was spread around?

A. Yes.

Q. That has been so the last five years you have

been a knitter?

A. Yes.

Q. And at the same time no decrease at all in your

work, when you started in as a knitter you were

paid by the hour while you were learning to be a

knitter; is that right?

A. Yes.

Q. And would it be true while you were learning

that you were paid by the hour?

A. I think I would.

Q. And when you were paid by the hour, you were

paid by the hour, you were paid by the hour, you



was no mistake about it? A. No.

Q. Whether you turned out much or little you were paid by the hour? A. Yes.

Q. Now, when you are in charge of the machines what are your duties? The machine does the actual work, doesn't it? A. Yes.

Q. And your job is to see that the work that the machine does is a sock that can be sold? A. Yes.

Q. That is really your whole job? A. We inspect them.

Q. That is your whole job, to inspect the work, that is, to watch the work as it comes off the machine and see that it is perfect so it can be sold?

A. Yes.

Q. And sometimes it gets away from you and it is defective and the system of trying to make you careful is the one you have told about that if you have a dozen of imperfections then you make two dozen to replace it? A. Yes.

Q. I suppose you don't let that happen very often? A. Not if we can help it.

Q. Now, you were telling my friend about some efforts made to --

BY THE COMMISSIONER: Q. Pardon me a minute; is the rate of pay per dozen? A. Yes, sir.

Q. How much a dozen? A. Well, it varies. I have some at four cents, 6, 6½, 8.

BY MR. KELLOCK: Q. You were telling my friend about some efforts made to unionize here recently?

Q. No.

was no mistake about it?

A. Whether you turned out much or little you were

A. Yes.

paid by the hour?

Q. Now, when you are in charge of the machines when

are you satisfied? The machine does the actual work.

A. Yes.

Q. And your job is to see that the work that the

machine does is a work that can be sold? A. Yes.

Q. That is really your whole job? A. We have

Q. That is your whole job, to inspect the work,

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dozen of imperfections then you make two dozen to

Q. I suppose you don't let that happen very often?

A. Not if we can help it.

Q. Now, you were telling my friend about some

efforts made to --

BY THE COMMISSIONER: G. Bardon me a minute; is the

A. Yes, sir.

rate of pay per dozen?

A. Well, it varies.

Q. How much a dozen?

I have some at four cents, 6, 8, 8.

Q. You were telling my friend about



A. Yes.

Q. His lordship asked you where this effort came from. Didn't some of them come from outside Paris?

A. I cannot tell you that.

5

Q. You don't know that? A. No.

Q. Did you hear about some of them coming from outside Paris? A. No.

10

Q. Don't you know everybody in Paris, and know whether these people were people who lived in Paris up to that time or not? A. I cannot tell you.

Q. You never heard? A. I knew the fellow that was talking to me about it; that is all.

15

Q. All you know about the whole thing is what somebody talked to you about? A. Yes.

Q. You didn't see any of this attempt to unionize anything yourself? A. No.

20

BY THE COMMISSIONER: Q. He said the man who talked to him was not from the mill but was from Paris; that is what you said? A. Yes.

BY MR. KELLOCK: Q. The man that talked to you, was that the man that was asking you to join? A. Yes.

Q. And did you join? A. Not exactly.

25

MR. GRANTON: I am representing the union. I don't think that is relevant to the question, is it, that man being asked whether he belongs to the union or not?

THE COMMISSIONER: Who are you, by the way?

30

MR. GRANTON: I am the organizer for the union.

Q. His lordship asked you where this effort came from. A. I cannot tell you that.

Q. You don't know that? A. No.

Q. Did you hear about some of them coming from outside Paris? A. No.

Q. Don't you know everybody in Paris, and know whether these people were people who lived in Paris up to that time or not? A. I cannot tell you.

Q. You never heard? A. I knew the fellow that was talking to me about it; that is all.

Q. All you know about the whole thing is what somebody talked to you about? A. Yes.

Q. You didn't see any of this attempt to unmask anything yourself? A. No.

BY THE COMMISSIONER: A. He said the man who talked to him was not from the mill but was from Paris; that is what you said? A. Yes.

BY MR. KELLER: Q. The man that talked to you, was that the man that was asking you to join? A. Yes.

MR. GRANTON: I am representing the union. I don't think that is relevant to the question, is it, that man being asked whether he belongs to the union or not?

THE COMMISSIONER: Who are you, by the way?

MR. GRANTON: I am the organizer for the union.

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15  
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MR. McRUER: Are you Mr. Granton?

MR. GRANTON: Yes, Granton.

MR. McRUER: I subpoenaed this gentleman.

THE COMMISSIONER: Well, he will give his evidence.

5 BY MR. KELLOCK: Q. I asked the witness, my lord, if  
had had joined as a result of this solicitation; there  
is no union at all? A. No, there is no union  
at all.

10 THE COMMISSIONER: Well, do you want to know whether  
he joined or not?

MR. KELLOCK: Yes, he says there is no union.

BY THE COMMISSIONER: Q. You can tell us that, you  
will be looked after; did you join? A. No.

15 They were just seeing how many members they could get.

Q. You don't mean to say he has not got the right  
to join?

MR. KELLOCK: No, I just want the facts.

20 BY THE COMMISSIONER: Q. You don't know whether you  
are going to join or not yet? A. No, I don't know.

BY MR. McRUER: Q. You want to see whether it is  
going to be worth while; you said you want to see how  
many employees they will have. You want to know  
25 whether it is worth while? A. Yes.

BY MR. KELLOCK: Q. As a matter of fact, you don't  
know whether there is a union or not? A. No.

30 THE COMMISSIONER: It is a union, it is not a  
secret society, it is a union.

MR. KELLOCK: There is no suggestion of that.

MR. McRUER: Now, they have a perfect right to

MR. McNEIL: Are you Mr. Stanton?

MR. STANTON: Yes, Stanton.

MR. McNEIL: I am sorry to hear that.

THE COMMISSIONER: Well, he will give his evidence.

BY MR. McNEIL: I asked the witness, my lord,

had had joined as a result of this solicitation; there

is no union at all? A. No, there is no union

at all.

THE COMMISSIONER: Well, to you want to know whether

he joined or not?

MR. McNEIL: Yes, he says there is no union.

BY THE COMMISSIONER: You can tell us that, you

will be looked after; did you join? A. No.

They were just seeing how many members they could get.

A. You don't mean to say he has not got the right

MR. McNEIL: No, I just want the truth.

BY THE COMMISSIONER: You don't know whether you

are going to join or not yet? A. No, I don't know.

BY MR. McNEIL: You want to see whether it is

going to be worth while; you said you want to see how

many members they will get.

Whether it is worth while? A. Yes.

BY MR. McNEIL: As a matter of fact, you don't

know whether there is a union or not? A. No.

THE COMMISSIONER: It is a union, it is not a

union, there is no suggestion of that.



organize and they have a perfect right to come from outside of Paris.

MR. KILLOCK: I am not suggesting anything of the kind. This witness and any other witness has got the right to join any union he likes, and don't suggest I am suggesting anything to the contrary.

BY MR. McRUER: Q. At any rate, for some reason or another in the town of Paris with a large number of employees there never has been a union organized?

A. Not that I know of.

Q. Alright, thank you, Smith.

---

PHYLLIS WILSON, sworn,

EXAMINED BY MR. McRUER:

Q. Miss Wilson, you are employed in number one mill?

A. Yes, sir.

Q. How long have you been working there?

A. Seven years.

Q. Pardon?

A. Seven years.

Q. How old were you when you went to work there?

A. 15.

Q. What did you do when you went to work first?

A. I was a winder.

Q. What did you do as a winder, Miss Wilson?

A. Well, filled bobbins and you have to keep tying the yarn on it.

Q. If the yarn breaks you have to tie it and you have to renew the bobbins and keep them going?

A. Yes.

the day and time when the parties were together.

Q. Now, I am not suggesting anything to you.

A. Yes, I am not suggesting anything to you.

I am suggesting anything to the contrary.

BY MR. McLEOD: Q. At any rate, for some reason or

another in the town of Paris with a large number of

employees there never has been a union organized?

A. Not that I know of.

Q. All right, thank you, Smith.

WILLIAM WILSON, sworn.

EXAMINED BY MR. McLEOD:

Q. Now, Wilson, you are a witness to what is going on?

A. Yes, sir.

Q. How long have you been working there?

A. Seven years.

Q. Pardon?

A. Seven years.

Q. How old were you when you went to work there?

A. 18.

Q. What did you do when you went to work there?

A. I was a window.

Q. What did you do as a window, Miss Wilson?

A. Well, filled bottles and you have to keep filling

the bottles.

Q. If the year passes you have to tie it and you

have to renew the bottles and keep them going?



Q. How many bobbins would you have to look after?

A. Oh, 12 or 14.

Q. Were you paid by piece work? A. I was when I started.

Q. Pardon? A. I was when I started.

Q. You were when you started? A. Yes.

Q. How many hours did you work when you went there? A. Nine.

Q. At fifteen, nine hours; starting in the morning at what hour? A. Seven o'clock till five.

Q. Through at five at night; how long were you on as a winder? A. About a year.

Q. Now, what wages would you earn at that job? A. Well, I got about \$8.00 a week to start.

Q. \$8.00 a week? A. At the start; then, I went on piece work and I made about \$10 or \$11 a week on piece work.

Q. Then, when you left that what did you come to be? A. Knitter.

Q. Have you been a knitter ever since? A. Yes, sir.

THE COMMISSIONER: How long has she been a knitter?

BY MR. McRUER: Q. You have been a knitter for how many years? A. Six years.

Q. And what kind of machines are you working on? A. I am working on H.Hs. right now.

Q. Is that the same kind of machine as these two boys are working on? A. The same as Taylor.

Q. The same as Taylor? A. Yes.

Q. How many babies would you have to look after?  
A. Oh, 12 or 14.  
Q. Were you paid by piece work?  
A. I was when I started.

Q. How long did you work when you were there?  
A. I was when I started.  
Q. You were when you started?  
A. Yes.

Q. What time did you start?  
A. Seven o'clock till five.  
Q. Through at five at night; how long were you on  
as a washer?  
A. About a year.

Q. Now, what would you earn at that job?  
A. Well, I got about \$2.00 a week to start.  
Q. At \$2.00 a week?  
A. At \$2.00 a week; then, I  
went on piece work and I made about \$10 or \$11 a week  
on piece work.

Q. Then, when you left that did you come to  
A. I started.

Q. Have you been a washer ever since?  
A. Yes.  
Q. How long has it been a washer?  
A. You have been a washer for how  
many years?  
A. Six years.

Q. And that kind of machine are you working on?  
A. I am working on H.B.s. right now.  
Q. Is that the same kind of machine as these two  
are working on?  
A. The same as these two.



Q. How long have you been on these machines?

A. About four years; the ones he is working on now are spirals and I have been on them about two weeks, but I was on reverse platers, they are almost the same; I was on them for about four years.

Q. What rates have you been paid over the period of six years that you have been a knitter?

A. Well, when I was first a knitter I was on transfer work and I made around \$25 or \$26 a pay.

Q. That would be for two weeks? A. No, that was for about two years.

Q. For two weeks pay? A. Yes.

Q. About \$13 a week? A. Yes.

Q. \$12.50 to \$13.00 a week; then, what were you?

A. I went off of that on to H.Hs, on to reverse platers and I worked there for about four years until just about two weeks ago and they moved me on his set.

Q. Now, were there any changes in your rates of pay up until you were changed on to these new machines two weeks ago? A. No.

Q. You were paid at the same rate all the way through? A. Yes.

Q. Got no increase? A. No.

Q. Have you got this increase that came out two weeks ago? A. Yes, sir.

Q. You are one that got that? A. Yes.

Q. How many of you altogether got that increase?

A. Four of us.

Q. Now --

Witness

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Q. How long have you been on those machines?

A. About four years; the ones he is working on now are spinners and I have been on them about two weeks, but I was on reverse spindles, they are almost the same; I was on them for about four years.

Q. What rates have you been paid over the period

of six years that you have been a knitter?

A. Well, when I was first a knitter I was on transfer work and I made around \$15 or \$16 a day.

10

Q. That would be for two weeks? A. No, that

for about two years.

Q. For two weeks pay? A. Yes.

Q. About \$15 a week? A. Yes.

15

Q. \$15.50 to \$16.00 a week; then, that was your

A. I went off of that on to H.W., on to reverse

spinners and I worked there for about four years until

just about two weeks ago and they moved me on to

well,

Q. Now, were there any changes in your rates of

pay up until you were changed on to these new

machines two weeks ago? A. No.

Q. You were paid at the same rate all the way

through? A. Yes.

20

Q. Got no increase? A. No.

Q. Have you got this increase that came out two

weeks ago? A. Yes, sir.

Q. You are one that got the 10? A. Yes.

Q. How many of you altogether got that increase?

30



BY THE COMMISSIONER: Q. Does that mean four girls?

A. No, two girls and two boys.

BY MR. MORUER: Q. That is all? A. Yes.

Q. What can you earn -- before the increase what were you earning per week? A. On our machines, we could run more on the reverse platers because they were not such hard machines to look after and we could have more machines. I would figure I made about, if they were all running, \$19 or \$20 a week.

Q. How many machines would you be operating assigned to you as your maximum? A. To make that?

Q. Yes? A. About 14 or 16.

Q. 14 or 16 machines; now, what do you say as to how hard you would have to work to make that?

A. Well, it keeps you busy but you would not be over-worked, not on our machines; they are easier machines to run than the ones Taylor runs.

Q. They are easier machines to run than the ones Taylor runs? A. Yes.

Q. Is that the ones you have now? A. No, those are the ones I had before I went on with him. I have only been on with him two weeks.

Q. You are on the same type of machines that he is now? A. Yes.

Q. You say the machines you are on now are harder? A. Yes, the machines I am running now are harder than the ones I was running before.

Q. Now, you have been on them for two weeks? A. Yes.

BY THE COMMISSIONER: Does that mean four girls?

A. Yes.

BY MR. MEYER: Q. That is all?

Q. What can you earn -- before the increase when

A. On our machines, we

could run more on the reverse plates because they

were not such hard machines to look after and we

if they were all running, \$19 or \$20 a week.

Q. How many machines would you be operating assigned

A. To make that?

A. About 14 or 16.

Q. Yes?

A. 14 or 16 machines; now, what do you say as to

how hard you would have to work to make that?

A. Well, it keeps you busy but you would not be over-

worked, not on our machines; they are easier machines

to run than the ones Taylor runs.

Q. They are easier machines to run than the ones

A. Yes.

Taylor runs?

Q. Is that the one you have now?

A. No, those are the ones I had before I went on with him. I

have only been on with him two weeks.

Q. You are on the same type of machines that he

is now?

Q. You say the machines you are on now are harder

than the machines I am running now are harder than

the ones I was running before.

Q. You have been on them for two weeks?



Q. What do you say as to how hard you have to work  
in order to earn \$18 to \$19 a week now?

A. Well, we cannot have as many machines as I had on  
the others because they are harder to look after.

5 Q. How many machines do you feel you can look after  
now? A. Well, 12 or 14.

Q. How many have you got? A. About 12 right now.

Q. And you are paid at the same rate as the men  
for the same work? A. Yes, sir.

10 Q. Well now, can you tell me whether they are  
employing girls there now as young as you were when  
you went in there, fifteen year old girls?

A. Yes, they are.

15 Q. They are; how many girls of that age would be  
working in number one mill? A. Oh, I don't know,  
I would not have any idea.

Q. Are they working as knitters or winders or what  
are they doing? A. There is none that young  
20 working in our room.

Q. You say they work at winding? A. Some of  
them do; they work all over the factory.

Q. Do you have a lunch hour? A. Yes, sir.

Q. Do you go home for lunch? A. Yes, sir.

25 Q. And you are working pretty well 110 hours  
per fortnight right along? A. Yes.

Q. Thank you,-- oh, excuse me --

THE COMMISSIONER: How many hours a fortnight?

30 BY MR. WENJER: Q. 110 hours a fortnight; that is  
your time? A. Yes.

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1. They say: how many trials of that are would be

Q. I don't know.

are they working as business or winery or win.

are they doing? . There is none that you

• MOOT TWO NI BIDE TO N

Q. Do you have a James Bond?

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Q. 55 hours a week; one of the boys told us that when a slack period came along they would alternate the men, stretch out the work and give more machines; do they do that with the girls now? A. They have not on the set I have been on. They have with him, but on the set I have been on we have been always pretty busy.

Q. You didn't experience that? A. No.

Q. Did they have the same rule in respect to your work, that you would be fined and have to produce two for one? A. Yes, sir.

Q. Have you been approached about a union at all?

A. No, sir.

Q. You haven't; thank you.

CROSS-EXAMINED BY MR. KELLOCK:

Q. Miss Wilson, you have been knitting for about six years? A. Yes, sir.

Q. You say that the rate was increased about two weeks ago and you got that increase? A. Yes, sir.

Q. Did you also get the increase on that same operation in 1932 that Mr. Taylor told us about?

A. I was not on that set. We never got it on our set.

Q. You were not on the same machines then as he was, I see; now, in the last two weeks you are on

the same machines as Taylor is working on? A. Yes, sir.

Q. And you are handling a fewer number of machines

Wilson,

Wilson,

4. 55 hours a week; one of the boys told us that

when a slack period came along they would alternate

the men, started out the work and give more machines;

started at first with the first one.

have not on the set I have been on. They have with

him, but on the set I have been on we have been always

Wally King.

5. You didn't experience that? A. No.

6. Did they have the same rule in respect to your

work; that you would be lined and have to produce two

for one? A. Yes, sir.

7. Have you been approached about a union at all?

A. No, sir.

8. You haven't; thank you.

---

9. Miss Wilson, you have been waiting for about

six years?

A. Yes, sir.

10. The way that the rate has increased since the

weeks ago and you got that increase? A. Yes, sir.

11. Did you also get the increase on that same

agreement in 1932 (the first year) or not?

A. I was not in that set. It was the 1st set.

set.

12. You were not on the first machine from the 1st

set; I don't know, in that fact that means you are on

the same machine as Taylor is working on? A. Yes.

---

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than you were on the old job? A. Yes, sir.

Q. You say that you can handle up to 14 alright, yourself? A. Yes, sir.

5 Q. How long has Taylor been on these machines, about three years? A. I think it is about three years.

Q. You have been only on them two weeks? A. Yes.

10 Q. Now, do you have very much trouble with turning out defective work? A. Well, we all have a certain amount of bad work.

Q. Very much? A. No, not a lot.

Q. I see, that is all, thanks.

15 BY MR. McRUER: Q. You say you all have a certain amount of bad work? A. We all do.

Q. That seems to be a sort of natural error that must occur? A. Yes, sir.

20 Q. There is always a certain amount of bad work? A. Yes.

Q. Yet you are all fined, you are not made any allowance of 2% bad work or anything like that?

A. No, sir.

25 Q. You are fined so they are always getting a certain amount of bonus work from the employees?

A. Yes, sir.

---

MARY LUKER, sworn,

EXAMINED BY MR. McRUER:

30 Q. Miss Luker, you are employed at number one mill?

Wilson,

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then you were on the old job? A. Yes, sir.

Q. You say that you can handle up to 14 flights,

yourself? A. Yes, sir.

Q. How long has Taylor been on these machines,

about three years? A. I think it is about

three years.

Q. You have been only on them two weeks?

A. Yes.

Q. Now, do you have very much trouble with turning

out defective work? A. Well, we all have a

certain amount of bad work.

Q. Very much? A. No, not a lot.

Q. I see, that is all, thanks.

BY MR. McNEIL: Q. You say you all have a certain

amount of bad work? A. We all do.

Q. That seems to be a sort of natural error that

must occur? A. Yes, sir.

Q. There is always a certain amount of bad work?

A. Yes.

Q. Yet you are all fitted, you are not made any

allowance of the bad work or anything like that?

A. No, sir.

Q. You are fitted so they are always getting a

certain amount of bonus work from the employees?

A. Yes, sir.

WILLIAM J. McNEIL, Esq.

WILLIAM J. McNEIL, Esq.



A. Yes, sir.

Q. How long have you been working there?

A. Three years.

Q. What do you work at? A. Knitting.

Q. Had you worked in the mills at all before then?

A. No.

Q. Are you on the same kind of machines as Miss Wilson? A. No, sir.

Q. What kind of machines are you on? A. I am on men's half hose, the tops of men's socks.

Q. Men's half hose? A. The tops of men's socks.

Q. The tops of men's socks; that is the rib work around the top? A. Yes.

Q. And how many hours a week do you work?

A. 50 hours a week.

Q. 50 hours; do you sometimes work more?

A. Sometimes, but not lately.

Q. I see in February last you are down for 110 hours on this pay roll for two weeks; that would be 55 hours? A. Yes.

(page 9670 follows)

A. Yes, sir.

Q. How long have you been working there?

A. About three years.

Q. What do you work at?

A. Knitting.

Q. Had you worked in the mill at all before then?

A. No.

Q. Are you on the same kind of machine as Miss

Wilmot?

Q. What kind of machines are you on?

A. I am on men's half hose, the tops of men's socks.

Q. Men's half hose?

Q. The tops of men's socks; that is the rib work

around the top?

A. Yes.

Q. And how many hours a week do you work?

A. 50 hours a week.

Q. 50 hours; do you sometimes work more?

A. Sometimes, but not lately.

Q. I see in February last you are down for 110

hours on this pay roll for two weeks; that would be

22 hours?

A. Yes.

(page 2673 follows)

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Q. Have you worked longer periods than that?

A. No.

Q. You are paid by piece work? A. No, daywork.

Q. How much do you get? A. 20 cents an hour.

Q. So that your pay runs \$10 a week? A. Yes.

Q. Are you kept busy all the time? A. Yes, sir.  
knitting

Q. What is it you do - do you attend the machine?

A. We have quite a few of them.

Q. How many machines do you have? A. At  
the present time I think about eleven.

Q. Eleven machines? A. Yes, sir.

Q. How many girls are there at the same kind of  
work? A. Only me at the present time.

Q. Well, do you know what the reason is that the  
job you are working at is so much more poorly paid  
than the job that Miss Wilson is at, for instance?

A. They are on piece work and I am on day work.

Q. Yes, you both work a full day and kept busy  
all the time? A. Yes.

Q. I suppose there is somebody around to see that  
you work? A. Yes, foreman.

Q. Why should not you be paid the same? A. I  
don't know, I just asked for a raise.

Q. When did you ask for a raise? A. I asked  
the foreman about two months ago and he said to wait  
until work picked up and he would see about it.

Q. Have not you been busy enough? A. Yes, I  
have been busy enough.

Q. Now, did you ever see any of these men there?  
A. No.

Q. You are paid by piece work?  
A. No, day work.

Q. How much do you get?  
A. 20 cents an hour.

Q. Do you ever get any other kind of work?  
A. No.

Q. Are you kept busy all the time?  
A. Yes, all the time.

Q. What is it you do - do you attend the machines?  
A. Yes, I do.

Q. We have quite a few of them.  
A. Yes, we have.

Q. How many machines do you have?  
A. About eleven.

Q. The present time I think about eleven.  
A. Yes, sir.

Q. Eleven machines?  
A. Yes, sir.

Q. How many girls are there at the same kind of work?  
A. About eleven.

Q. Well, do you know what the reason is that the  
A. Yes, I do.

Q. You are working at it so much more poorly paid  
A. Yes, I do.

Q. Then the job that Miss Wilson is at, for instance?  
A. Yes, I do.

Q. They are on piece work and I am on day work.  
A. Yes, I do.

Q. Yes, you both work a full day and kept busy  
A. Yes, I do.

Q. All the time?  
A. Yes, I do.

Q. I suppose there is somebody around to see that  
A. Yes, I do.

Q. You work?  
A. Yes, I do.

Q. Why should not you be paid the same?  
A. I do.

Q. I don't know, I just asked for a raise.  
A. I do.

Q. When did you ask for a raise?  
A. I asked.

Q. The foreman about two months ago and he said to wait  
A. Yes, I do.



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Luker

Q. Have you always worked at this rate?

A. No, when I started in I got \$7 a week and it went to \$8 and went to \$9 and now again to \$10.

Q. Of course, the minimum wage is 20¢ an hour?

A. Yes.

Q. Were you doing the same work when you were getting \$7 a week as you are doing now? A. No, I was on cutting when I was getting \$7 a week.

Q. Were there many others working there on cutting?

A. There was another girl and myself.

Q. Was she paid the same as you? A. Yes.

Q. Then when you were paid \$8 a week? A. I was still on cutting then.

Q. And then when you went to \$9 a week? A. I was on looping, at the time, at \$9.

Q. Were there other girls on looping? A. Yes, quite a number of them.

Q. Were you paid piece work there? A. Well, it was a piece work job but I never got on piece work, they put me back upstairs.

Q. Were the other girls on piece work doing the same work as you? A. Yes.

Q. You were doing the same work as they? A. Yes.

CROSS-EXAMINATION BY MR. KELLOCK:

Q. I suppose when you were on \$9 a week looping you were learning? A. Yes, sir.

Q. And you started in at \$7 and now you are up to

1000

1000

Q. How long did you work at this place?

A. No, when I started in I got \$7 a week and it went

up to \$8 and now again to \$10.

Q. How long did you work at this place?

A. Yes.

Q. Were you doing the same work when you were paid

\$7 a week as you are doing now? A. No, I was

on cutting when I was getting \$7 a week.

Q. Were there many others working there on cutting?

A. There was another girl and myself.

Q. Was she paid the same as you?

A. Yes.

Q. When were you paid \$8 a week?

A. I was

Q. How long did you work at this place?

A. And then when you went to \$9 a week?

A. I was

on looking at the time, at \$9.

Q. Were there other girls on looking?

A. Yes.

quite a number of them.

Q. Were you paid piece work then?

A. Well,

it was a piece work job but I never got on piece work.

they put me back up there.

Q. Were the other girls on piece work doing the

same work as you?

A. Yes.

Q. You were doing the same work as they?

A. Yes.

Q. How long did you work at this place?

A. I suppose when we were on \$9 a week looking

the same thing?

A. Yes, sir.



20 cents an hour? A. Yes, sir.

Q. And you think the time has come when you ought to be worth more money? A. I think so, I am doing

a man's job.

Q. And you asked your foreman and he said that he would try to get you a raise? A. Yes, he said he would try.

BY MR. McRUER:

Q. You say you are doing a man's job - why do you say it is a man's job? A. There is one man working on nights at it on that.

Q. On the same sort of work? A. Yes, sir.

Q. And the same job? A. Yes, sir.

Q. What is his name? A. Howard Humes.

Q. Well now, he on this same pay roll I have here worked 120 hours and got \$33.60 - he gets about 30 cents an hour apparently? A. I don't know what he has got.

Q. And you say he is doing exactly the same work as you are doing? A. Yes.

BY MR. KELLOCK:

Q. He is working on piece work rates, I suppose?

A. On day work.

Q. How old a man is he? A. I have not any idea.

Q. He is a good deal older than you? A. Yes, sir.

A. Yes, sir.

Q. And you think the time has come when you ought

to be worth more money? A. I think so, I am doing

a man's job.

Q. And you asked your foreman and he said that he

would try to get you a raise? A. Yes, he said he

would try.

Q. Now,

Q. You say you are doing a man's job - why do you

say it is a man's job? A. There is one man work-

ing on nights at it on that.

Q. On the same sort of work? A. Yes, sir.

Q. And the same job? A. Yes, sir.

Q. What is his name? A. Howard Hunter.

Q. Well now, he on this same pay roll I have here

worked 120 hours and got \$28.60 - he gets about 20

cents an hour apparently? A. I don't know what

you say he is doing exactly the same work.

A. Yes.

A. I have not any



Q. Been there a much longer time? A. Well,

he worked there before I did and then he quit and went away to work some place else and came back again.

Q. He was there long before you were? A. Yes.

BY MR. McRUER: Q. Have you ever had any criticism of your work? A. Well, you get told about your bad work as well as your good.

Q. Outside of that they have not offered to fire you on account of your work? A. No.

Q. And whether he has been there long or short he has been doing the same work as you? A. Yes.

MR. KELLOCK: He is working at nights.

MR. McRUER: Q. On the particular work that you do do you get any deductions for bad work? A. No, not on day work.

THE COMMISSIONER: Any deductions for bad work - I thought awhile ago she mentioned about having to pay for bad work?

THE WITNESS: No.

MR. McRUER: Q. You are not on piece work? A. No.

--

THOMAS CLEGG, Sworn,

EXAMINED BY MR. McRUER:

Q. You work in No. 2 Mill? A. Yes, .

Q. How long have you been working there?

A. A little over thirteen years.

Q. When there a much longer time?

A. Well, he worked there before I did and then he quit and went

away to work some place else and came back again.

Q. He was there long before you were? A. Yes.

Q. Have you ever had any criticism

A. Well, you get told about your

bad work as well as your good.

Q. Outside of that they have not offered to fire

you on account of your work? A. No.

Q. And whether he has been there long or short

he has been doing the same work as you? A. Yes.

Q. He is working at night.

Q. On the particular work that you

do you get any deductions for bad work? A. No.

THE COMMISSIONER: Any deductions for bad work -

I thought while ago she mentioned about having to

pay for bad work?

THE WITNESS: No.

MR. MEYER: Q. You are not on piece work? A. No.

EXHIBIT

EXHIBIT

EXHIBIT

EXHIBIT



Q. How old were you when you went to work there?

A. Seventeen.

Q. And what did you work at when you went there first?

A. Needle leader, put lead on the end of needles.

Q. And what other occupations have you had there?

A. Just a needle leader and knitter.

Q. When did you become a knitter?

A. About 7 or 8 months after I started.

Q. Now, how much did you earn as a knitter when you

started?

A. Oh, about Ten dollars a week.

Q. Were you on piece work then or ----

A. No.

Q. You are what might be called a learner?

A. Yes.

Q. Well, after you had your probation at any rate

you went on piece work, did you?

A. No.

Q. Have you always been ---

A. Up until about

a year ago, about a year and a half ago started on piece work.

Q. Were all the knitters in Nol Mill on time work

up until about a year and a half ago?

A. Yes,

all in our Department, No. 2, yes.

Q. All in your Department on time work?

A. Yes, sir

Q. What wages did you earn per week from time to time?

A. Oh, from time to time ---

Q. After you got past the stage of a learner?

A. I was getting 25 cents an hour.

Q. And did you continue to get 25 cents an hour?

A. Up until I went on piece work.

Q. How old were you when you went to work there?

A. Seventeen.

Q. And what did you work at when you went there?

A. Needle leader, but I was on the end of

needles.

Q. And what other occupations have you had there?

A. Just a needle leader and knitter.

Q. When did you become a knitter?

A. About 7

8 months after I started.

Q. Now, how much did you earn as a knitter when you

started? A. Oh, about ten dollars a week.

Q. Were you on piece work then or --- A. No.

Q. You are what might be called a learner? A. Yes.

Q. Well, after you had your probation at any rate

you went on piece work, did you? A. No.

Q. Have you always been --- A. Up until about

Q. Were all the knitters in that mill on time work

up until about a year and a half ago? A. Yes.

Q. All in your Department, No. 2, yes.

Q. All in your Department on time work? A. Yes.

Q. What wages did you earn per week from time to

Q. Oh, from time to time ---

Q. After you got past the stage of a learner?

A. I was getting 25 cents an hour.

Q. And you continued to get 25 cents an hour?

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Q. For how many hours were you getting 25¢ an hour?  
A. I would say about 12½.

Q. And then a year and a half ago you were put on piece work?  
A. Yes.

Q. Was that at your request or request of the employees?  
A. No, they suggested it.

Q. Your employers suggested it?  
A. Our foreman.

Q. And what have you been earning since you went on piece work?  
A. Well, we did considerably better. I cannot tell you the exact figure.

Q. You have earned more since you went on piece work?  
A. Yes, sir.

Q. Have you done more work?  
A. Well, I imagine we have done as much, probably a little more. We have had more encouragement to do so on piece work.

Q. That is working with an objective?  
A. Yes.

Q. Have your piece work rates been changed since you started?  
A. No.

Q. Always been the same?  
A. Yes, always been the same.

Q. Now, I see in this payroll that I have before me--February 28, 1936, you are down as having worked 130 hours?  
A. 130?

Q. Yes--that must have been 65 hours a week?  
A. That was when?

Q. Last February?  
A. Yes, I was working

Q. For how many hours were you getting per day?

A. I would say about 12 1/2 hours.

Q. And then a year and a half ago you were put on piece work?

A. Yes.

Q. Was that at your request or request of the employer?

A. No, they suggested it.

Q. Your employer suggested it?

A. Our

foreman.

Q. And what have you been earning since you went on piece work?

A. Well, we did considerably better.

Q. I cannot tell you the exact figure.

Q. You have earned more since you went on piece work?

A. Yes, sir.

Q. Have you done more work?

A. Well, I

imagine we have done as much, probably a little more.

Q. We have had more encouragement to do so on piece work.

Q. That is working with an objective?

A.

Yes.

Q. Have your piece work rates been changed since

you started?

Q. Always been the same?

A. Yes, always

been the same.

Q. You have not been paid for any extra work?

A. No, I have not been paid for any extra work.

Q. How many hours?

A. Yes--that must have been 35 hours a week.

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from 6 to 7, nights.

Q. Do you get paid extra for working at night?

A. No, the same rate, same piece rate.

5 Q. Well then, this pay you got \$42.40 for 130 hours. How many machines do you look after?

A. 5 to 8.

Q. Why did you put it that way--how do they vary?

10 A. Well, chiefly depends when we have orders. If we have an order for size we start machine up and run that order out. We never run less than 3 machines.

15 Q. If they have a slack period do they do the same there as we heard about in the other mill--that is, take a man off and then give the remaining man more machines? A. They have once or twice, only amounted to a week or two.

20 Q. Have you been laid off at all in the time that you were a time worker? A. There has been slack time and we have all been laid off more or less--all have had to take our turn.

25 Q. But apparently that is the policy that has been followed in the slack times? A. Oh, everything has been evened up.

Q. The employees were laid off so as to even it up? A. That is right.

30 Q. Do you know whether there was any difference made between hour workers and piece workers at these slack times in regard to being laid off? A. No.

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from 6 to 7, nights.

Q Do you get paid extra for working at night?

A No, the same rate, same piece rate.

Q Well then, this pay you got \$48.40 for 120

How many machines do you look after?

A 3 to 4.

Q Why did you put it that way--how do they vary

A Well, chiefly depends when we have orders.

Q If we have an order for size we start machine up and

run that order out. We never run less than

Q If they have a slack period do they do the

same there as we heard about in the other mill--that

take a man off and then give the remaining man more

A They have once or twice, only

amounted to a week or two.

Q Have you been laid off at all in the time

A There has been a time when

been slack time and we have all been laid off more

or less--all have had to take our turn.

Q But apparently that is the policy that has

been followed in the slack times?

Oh,

everything has been evened up.

Q The employees were laid off so as to even it

out.

Q Do you know whether there was any difference



THE COMMISSIONER: Does he know or--

MR. McRUER: Q. Was there any difference made? A. Not that I know of.

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CROSS-EXAMINATION BY MR. KELLOCK:

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Q. Apparently, as you told my friend, that in the years of depression, last 5 years, the company tried to spread the available work around among you all? A. They did.

Q. And I suppose you appreciated that? A. I did.

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Q. And during those same years there was no decrease at all in your pay? A. No.

Q. Now, were you knitting in 1926? A. Yes.

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Q. Right through to 1926? A. I have been knitting since, oh, 1924.

Q. So that in that period there was no decreases at all? A. None.

25

Q. Then you were put next on piece work--that was at the suggestion of the foreman, was it?

A. Yes, sir.

Q. And that was about a year and a half ago?

A. Yes, sir.

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Q. And your wages immediately went up? A. They have.

MR. McRUER: The wages did not go up--the earnings went up.

MR. KELLOCK: His wages went up.

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Q. Does he know of--

MR. MONTGOMERY: Yes there are differences

Q. Not that I know of.

Q. Apparently, as you told my friend, that in the years of depression, last 5 years, the company tried to spread the available work around among you

Q. And I suppose you appreciated that?

Q. And during those same years there was no

decrease at all in your pay?

Q. Now, were you knitting in 1936?

Q. Right through to 1936? A. I have been

knitting since, of, 1934.

Q. So that in that period there was no decrease

Q. Then you were put next on piece work--that

as at the suggestion of the foreman, was it?

A. Yes, sir.

Q. And that was about a year and a half ago?

A. Yes, sir.

Q. And your wages immediately went up?

A. Yes.



PERCY SUGDEN, sworn

EXAMINED BY MR. McRUER:

5 Q. You were employed in No. 2 mill? A. Yes, sir.

Q. As a knitter? A. Yes, sir.

Q. How long have you been a knitter? A. 12 years.

10 Q. How old were you when you went into it? A. 15 years old.

Q. Are there boys 15 years old now employed? A. Yes, some up in our room that age now.

15 Q. How many would there be? A. Oh, I would say roughly 3 or 4 may be.

Q. Are they knitting? A. Yes, sir.

Q. Doing the same sort of work as you are doing? A. Different type of machine.

20 Q. Are there men doing the same work as they are doing? A. Yes.

THE COMMISSIONER: Q. Working the same type of machine as men are working alongside of them? A. Yes, sir.

25 MR. McRUER: Q. Have you worked on piece work? A. No, I have never been on piece work.

30 Q. Are you not on the same kind of a machine as Clegg? A. No, I am on a different machine—Wildman Cuff machine.

Q. What rate are you paid at? A. Now?

Q. You were employed in No. 2 mill?  
A. Yes, sir.  
Q. As a knitter?  
A. Yes, sir.  
Q. How long have you been a knitter?  
A. 12 years.  
Q. How old were you when you went into it?  
A. 12 years old.  
Q. Are there boys 12 years old now employed?  
A. Yes, some up in our room that age now.  
Q. How many would there be?  
A. Oh, I would say roughly 3 or 4 may be.  
Q. Are they knitting?  
A. Yes, sir.  
Q. Doing the same sort of work as you are?  
A. Different type of machine.  
Q. Are there men doing the same work as they are?  
A. Yes.  
Q. The commission?  
A. Yes, sir.  
Q. Have you worked on piece?  
A. No, I have never been on piece work?  
Q. Are you not on the same kind of a machine?  
A. No, I am on a different machine-

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Q. Yes? A. 28¢ an hour.

Q. How long have you been paid 28¢ an hour? A.  
I would say roughly 3 years.

5 Q. What were you paid before that? A. 25¢.

Q. What were you paid at before that? A.  
Well, it has varied right from \$9. a week up to \$25. ,  
with various raises. I started at \$9. a week and then  
raised gradually.

10 Q. But you got up to \$25. a week at one time? A.  
A pay I mean.

Q. \$9. a week to? A. To \$12.50 a week.

15 Q. How many hours do you work? A. Well, work-  
ing full time it is 50 hours a week.

Q. On this pay that I have here you are down for  
127 hours? A. Well, that has been overtime.

Q. Are you paid the same rate over time? A. Yes, sir.

20 THE COMMISSIONER: When did this occur, this 127  
hours?

MR. McRUER: This week ending 28th February, 1936,  
my lord.

25 Q. Why would you be working over time that February?  
A. Well, there is only a certain amount of those  
machines in the room, like four of them, and I have to  
keep enough cuffs ahead for all bodies that are made  
and there are odd times when they worked a little more  
to make up, you see.

30 Q. You are paid how much now? A. 28 cents an hour

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Q. Yes? A. 28% an hour.

Q. How long have you been paid 28% an hour?

A. I would say roughly 3 years.

Q. What were you paid before that?

A. Well, it has varied right from \$3. a week up to \$25.

Q. I started at \$3. a week and then raised gradually.

A. But you got up to \$25. a week at one time?

A. Yes I mean.

Q. \$25. a week for? A. To \$12.50 a week.

Q. How many hours do you work?

A. Well, from the fall time it is 36 hours a week.

Q. On this pay that I have here you are down for 127 hours?

A. Well, that has been overtime.

Q. Are you paid the same rate over time? A. Yes.

THE COMMISSIONER: When did this occur, this 127

hours?

MR. BRYDIE: This week ending 28th February, 1935.

my lord.

Q. Why would you be working over time that February?

A. Well, there is only a certain amount of those

machines in the room, like four of them, and I have

and there are odd times when they worked a little

to make up, you see.



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Sugden

Q. You were paid formerly 25 cents up to what time?

A. Roughly speaking I would say about three years ago.

Q. And then before that how much were you paid?

A. Well, it went---

Q. Per hour?

A. That would be 20 cents an hour and up.

Q. Have you had any cuts in pay at all? A. Well,

I had one several --oh, it would be about two years after I started to work I think. That is the only one.

Q. You have not had any since then? A. No.

Q. Are you penalized at all in respect to bad work or how do they check you up on that? A. No.

I have to keep close on them but there are no penalties exacted at all.

Q. I suppose there are errors made in your work?

A. Oh, yes, bad needles go through now and again.

Q. But you are not penalized? A. No, sir.

Q. How long had you been at 25 cents an hour prior to three years ago? A. Oh, I would say about two years, I think it was, I could not tell you exactly.

Q. And then what was it before that? - 20 cents, do you say? A. Around in there some place, 20 cents, 22 cents and up.

Q. Have you made any applications for raises?

A. No, not lately.

Q. Did you at one time? A. Well, I asked for that there last one I had and I got it and I have not asked any more.

London

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Q. You were paid formerly 25 cents up to what time?  
A. Roughly speaking I would say about three years.  
Q. And then before that how much were you paid?  
A. Well, it was ---  
Q. How much?  
A. That would be 25 cents and  
Q. Have you had any cuts in pay at all?  
A. I had one several -- oh, it would be about two years  
after I started to work I think. That is the only  
Q. You have not had any since then?  
A. No.  
Q. Are you penalized at all in respect to pay for  
or how do they check you up on that?  
A. No.  
Q. Have to keep close on them but there are no penalties  
exact at all.  
Q. I suppose there are errors made in your work?  
A. Oh, yes, bad needles go through now and again.  
Q. But you are not penalized?  
A. No, sir.  
Q. How long had you been at 25 cents an hour prior  
to three years ago?  
A. Oh, I would say about two  
years, I think it was, I could not tell you exactly.  
Q. And that was at what time?  
A. Around in there some place,  
Q. 25 cents and up.

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Q. There is an entry in your pay roll under column headed "M.D." there is \$21.50 entered. Are there any special allowances or deductions or anything like that in your pay? A. No, sir.

5 Q. You do not have any benefit fund or insurance or anything of that sort? A. No, sir.

Q. You have no medical fund or anything of that kind at all? A. No, sir, there are no funds taken out of our pay at all.

10 Q. And no services provided for you at all? A. No.

THE COMMISSIONER: What does M.D. mean?

MR. KELLOCK: I will have to find out.

THE WITNESS: Might possibly mean merchandise.

15 MR. McRUER: Q. You sometimes buy stuff from the mill?

A. Yes, sir.

BY MR. KELLOCK:

20 Q. Apparently your experience with this Company for the last 12 years is that your earnings have steadily gone up?

A. Yes, sir.

Q. And the last time you asked for an increase was about two years ago? A. It would be around 3.

25 Q. And you got it? A. Yes, sir.

Q. And can I assume that you have not been asking for increases lately, that you are satisfied with your pay or do you ever get to that condition? A. Well,

30 I have not got to that condition, if you know what I mean.

Q. There is an entry in your pay roll under column

headed "M.D." there is \$1.50 entered. Are there any

special allowances or deductions or anything like that

in your pay? A. No, sir.

Q. You do not have any benefit fund or insurance

or anything of that sort? A. No, sir.

Q. You have no medical fund or anything of that kind

at all? A. No, sir, there are no funds taken out

of our pay at all.

Q. And no services provided for you at all? A. No.

THE COMMISSIONER: What does M.D. mean?

MR. KENLOCK: I will have to find out.

THE WITNESS: Might possibly mean merchandise.

MR. MORRIS: Q. You sometimes buy stuff from the mill?

A. Yes, sir.

Q. How much?

A. Not much.

Q. Approximately how much would you say this would cost?

A. Last 12 years is that your earnings have steadily gone

up?

Q. And the last time you asked for an increase

was about two years ago? A. It would be around 1914.

Q. And you got it? A. Yes, sir.

Q. And can I assume that you have not been asking

for increases lately, that you are satisfied with your

present position, if you know what I

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Q. You are reasonably satisfied? A. Yes, sir.

MR. McRUER: Eleven years at 28 cents an hour.

MR. KELLOCK: He is not eleven years at 28 cents an hour.

5 THE COMMISSIONER: Q. Is 28 cents an hour the maximum in the last eleven years? A. No, sir, it has been gradually raised up to that.

MR. McRUER: Q. It is the most you have got?

10 A. Yes.

MR. KELLOCK: Q. You have worked up to 28 cents an hour? A. Yes, sir.

Q. And, as you said, you are reasonably satisfied?

15 A. Yes.

Q. And there is nothing in the way of you sometimes earning more? A. Yes, there is, there is some talk of putting me on piece work. Whether it will materialize or not I don't know.

20 Q. If you are put on piece work you will expect to earn more? A. Yes, sir.

Q. In the case of yourself as well as other time-workers if you turn out poor work, why there is no penalty of any kind? A. Not up in our room.

25 Q. From your experience, if that same system was followed in connection in piece work would there be any way of controlling that the work turned out would be good work or bad? A. No more so than there is now.

30 Q. What I mean is there would have to be some way,

Q. Yes, sir.  
A. Yes, sir.

MR. KELLOCK: He is not eleven years of age

THE CHAIRMAN: Is 28 cents an hour the

maximum in the last eleven years?

A. No, sir, it has

been gradually raised up to that.

MR. KELLOCK: It is the last you have got?

MR. KELLOCK: You have worked up to 28 cents an

hour? A. Yes, sir.

Q. And there is nothing in the way of you something

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Q. If you are put on piece work you will expect to

earn more? A. Yes, sir.

Q. In the case of yourself as well as other time-

workers if you turn out poor work, why there is no

penalty of any kind? A. Not up in our room.

Q. From your experience, if that same system

was followed in the other rooms would it

be any more satisfactory than the present one?

A. No, sir.

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would not there, in the case of piece workers of insuring that the work that was turned out would be work that could be sold? Well, on this larger type of improved machine what waste there is don't practically amount to much - you see, they get cut to smaller sizes.

Q. You have not had any experience on piece work?

A. No, sir.

Q. I take it you would like to be put on piece work?

A. Naturally.

Q. And notwithstanding there is this penalty we hear about you would like to be put on piece work?

A. So far as I know in our room there has been no penalty put on either day workers or piece workers.

Q. That is not universal practice which it is apparently in some places?

A. Yes, sir.

Q. When you spoke about working over time, as I understood you that was only at odd times?

A. Yes, sir.

Q. You did not have to do that a great deal or very often?

A. No, sir.

MISS EDNA SHIELDS, Sworn,

EXAMINED BY MR. McRUER:

Q. You work in No. 1 Mill?

A. No, No. 2.

Q. And what is your particular occupation?

A. Flat lock operator.

Q. What does that mean?

A. They make underwear,

...id not there, in the case of piece workers of  
insuring that the work that was turned out would be

work that could be sold? A. Well, on this

larger type of improved machine what waste there is

don't practically amount to much - you see, they get

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Q. When you spoke about working over time, as I

understood you that was only at odd times? A. Yes, sir.

Q. You did not have to do that a great deal or

very often? A. No, sir.

EXAMINED BY MR. MORRIS:

Q. You work in No. 1 mill? A. No, No. 2.

Q. And that is your position, is it?

A. That is correct.



seam underwear up.

Q. Do you run a sewing machine? A. Well, it does a different stitch but it is the same thing, making underwear.

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Q. Accomplishes the same thing? A. Yes, sir.

Q. How long have you been working there? A. 13 years.

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Q. How old were you when you went to work there?

A. 14.

Q. Were there many girls 14 years old working there when you went there? A. I could not tell you.

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Q. Are there girls that age there now? A. I could not tell you, I do not know.

Q. And you went to work there at 14 years of age, and how many hours did you work? A. 9 hours a day.

Q. Starting at 7 in the morning and off at 5 at night?

A. Yes, sir.

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Q. With an hour off for lunch? A. Yes, sir.

Q. How much did you earn at that time? A. I started on \$7 a week.

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Q. And how much are you earning now? A. Well, you mean an hour or a week?

Q. A week? A. I get \$16 a week.

Q. Are you on piece work now? A. Yes, sir.

Q. How long have you been on the work that you are doing now? A. 12 years.

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Q. 12 years on the same type of work? A. Yes.

Q. Have your piece work rates changed in that time?

Q. Now what was it?

A. It was a little different.

Q. Was it a different stitch but it is the same thing?

A. Yes, sir.

Q. Accomplishes the same thing?

A. Yes, sir. How long have you been working there? A. 12

Q. How old were you when you went to work there?

A. There were many girls 14 years old working

there when you went there? A. I could not tell you.

Q. Are there girls that age there now? A. I could

not tell you, I do not know.

Q. And you went to work there at 14 years of

age, and how many hours did you work? A. 9 hours a day.

A. Yes, sir.

Q. With an hour off for lunch? A. Yes, sir.

Q. How much did you earn at that time? A. I started

on \$7 a week.

Q. And how much are you earning now? A. Well, you

mean an hour or a week?

A. A week? A. I get \$16 a week.

Q. Are you on piece work now? A. Yes, sir.

Q. How long have you been on the piece work?

A. 12 years.

Q. Is that the same type of work? A. Yes.



A. No, sir, I think they have always been the same.

Q. So that if you earn more or less now it is because you do more work or do less work? A. Yes.

Q. Are there any penalties, or fines put on you for bad work? A. No, sir.

Q. Are you checked up for bad work at all?

A. No, sir.

Q. I suppose by now your work is all so good?

A. No, but they just remind you about it.

Q. It is not necessary in your particular mill, apparently to make you do twice as much or anything of the sort? A. No, sir.

Q. Well now, can you tell me how many there would be employed doing the same type of work as you are doing?

A. I imagine about 15 or 16. I could not tell you exactly, I should know.

Q. How many machines do you have to run?

A. Just the one.

BY MR. KELLOCK:

Q. I take it that the work that you have been on for some time is more or less a standard operation?

A. Yes, sir.

Q. It does not vary any from year to year? A. What do you mean - the production?

Q. No, the work that you do, the operation that you do - it is the same thing? A. Yes.

Q. It is about the same from year to year? A. Yes, sir.

Q. No, sir, I think they have always been the same.  
Q. So that if you earn more or less now it is because  
A. Yes.  
Q. Are there any penalties, or fines put on you for  
bad work?  
A. No, sir.  
Q. Are you checked up for bad work at all?  
A. No, sir.  
Q. I suppose by now your work is all so good?  
A. No, but they just remind you about it.  
Q. It is not necessary in your particular mill  
apparently to make you do twice as much or anything of  
sort?  
A. No, sir.  
Q. Well now, can you tell me how many there would  
be employed doing the same type of work as you are doing?  
A. I imagine about 15 or 16. I could not tell you  
exactly, I should know.  
Q. How many machines do you have to run?  
A. Just the one.  
BY MR. KELLOCK:  
Q. I take it that the work that you have been on for  
some time is more or less a standard operation?  
A. Yes.  
Q. It does not vary any from year to year?  
A. Yes.  
Q. No, the work that you do, the operation that you  
do is the same thing?  
A. Yes.

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Q. And I suppose you have become an expert on that work for some few years now? A. Yes, sir.

Q. And while there have not been any increase or have not been any change in the rate at all - your piece work rates has been the same, you say, for 12 years? A. 12 years.

Q. Certainly the last 5? A. Yes, sir.

Q. And in the last 5 years were there periods when business was slack? A. Yes, sir.

Q. And were you working short time some of those years, everybody else working short time? A. Yes, they evened it up.

Q. The Company did not lay off so many and let the others do all the work, but the work was spread around? A. Yes, sir.

MR. McRUER: Q. What apparently happened was that as the employees financed the operations of the Company by taking turns at working - they did not have to pay you when th you were not working? A. No.

MR. KELLOCK: That is just argument.

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JAMES J. GRANTON, Sworn,

EXAMINED BY MR. McRUER:

Q. You live in Paris? A. Yes, sir.

Q. How long have you lived in Paris? A. I was born in Paris. I was away, though, for a period around 12 years, have lived here for the last four years.

Q. And while there have not been any increase or  
have not been any change in the rate at all - your  
place was the same as the rate was, was it, for the year  
A. 12 years.

Q. Certainly the last 5?  
A. Yes, sir.

Q. And in the last 5 years were there periods when  
business was slack?  
A. Yes, sir.

Q. And were you working short time then at times  
and, perhaps, also working more time - A. Yes, sir.

covered it up.

Q. The Company did not pay out so many and let the  
others do all the work, but the work was spread around  
A. Yes, sir.

MR. MOULTON: That apparently happened was that  
at the time the business was slack and the Company  
by taking turns at working - they did not have to pay  
you when you were not working.

MR. KELLOCK: That is just another  
way of saying that the Company was not paying you  
when you were not working.

THE J. H. KELLOCK, JR.,

THE J. H. KELLOCK, JR.,

THE J. H. KELLOCK, JR.,

THE J. H. KELLOCK, JR.,



Q. Have you worked in the mills here at all?

A. Not since I was about 14 years of age.

Q. Were you working in the mills when you were 14?

A. Well, some where around that date, I was going to high school at the time and worked there for two months during my summer vacation.

Q. Where were you working when you were away?

A. Working in Windsor and Chatham.

Q. What at?

A. Telegraph operator and accountant.

Q. Now, have you been engaged recently in any activities in regard to the organization of a union in Paris?

A. Yes, I have been more or less interested in the organization of a union and securing views of the workers on that subject.

THE COMMISSIONER: He is an organizer?

MR. McRUER: Q. Are you official organizer for any union?

A. I am without any salary, purely on a voluntary basis.

Q. What Union?

A. United Textile Workers of America.

Q. That is an authentic union?

A. Yes, operated with the American Federation of Labour.

Q. When did you start to interest yourself in organizing for them?

A. Oh, possibly six to eight weeks ago.

THE COMMISSIONER: Q. You say you are working without any salary?

A. Yes, absolutely.

MR. McRUER: Q. And have you been approaching employees in the Textile mills in Paris?

A. Yes, we have had

Have you worked in the mills here at all?

Were you working in the mills when you were 14?

Well, some where around that date, I was going to

high school at the time and worked there for two months

Where were you working when you were away?

Working in Windsor and Chatham.

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Now, have you been engaged recently in any

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A. United Textile Workers

A. That is an authentic union?

A. Yes, operated

with the American Federation of Labour.

When did you start to interest yourself in organ-

izing for them? A. Oh, possibly six to eight weeks ago.

The commission: And you are not working with

any other union?

MR. MORRIS: Q. And have you been approaching employees



several public meetings and have also approached them at their homes.

Q. What has been the disposition of the employees towards unions? A. Oh, naturally it varies.

I would say the reception on the whole has been favourable.

Q. That they felt that a union would be helpful?

A. Yes, naturally.

Q. Now, have you approached the employers at all in respect to it? A. No, have not.

Q. You have not discussed the matter with the employers? A. No.

Q. Have the employees that have a contrary view expressed the reasons for it? A. No, not definitely. There seems to be a feeling, though, quite prevalent, that the workers that join the union would be discriminated against.

Q. Well, is there a fear of that expressed?

A. Absolutely.

Q. Rightly or wrongly there seems to be a fear among the employees that if they joined the union they would be discriminated against? A. Yes, although that fear I cannot say is concrete, although I believe--this is purely hearsay--that there was an attempt to form a union in the mills about two years ago.

Q. Do you know who attempted to organize that?

A. Well, no, but I know the President of that was a man named Ware. Now, that man was subsequently laid

...and their homes.

Q. That has been the disposition of the employees

...naturally it varies.

I would say the reception on the whole has been favourable.

Q. That they felt that a union would be helpful?

A. Yes, generally.

Q. Now, have you experienced any difficulty in this

in respect to it? A. No, have not.

Q. You have not discussed the matter with the

employees? A. No.

Q. Have the employees that have a contrary view

expressed the reasons for it? A. No, not definitely.

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Q. Well, is there a fear of that expressed?

A. Absolutely.

Q. Rightly or wrongly there seems to be a fear

would be discriminated against? A. Yes, although

...in the mills about two years ago.

Q. Do you know who attempted to organize them?

A. Well, no, but I know the president of the union

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off. Of course, he was not laid off for organizing unions or anything like that but he was laid off nevertheless.

Q. A man by the name of Ware was organizing a union?

5 A. He was president.

Q. And he turned up later on without a job?

A. Yes.

Q. Where is Ware now? A. I cannot say, I have  
10 no idea of his whereabouts.

Q. But there was an unsuccessful attempt to organize one about two years ago? A. Yes, sir.

Q. Do you know any other person that took leadership in that? A. Not definitely. I believe  
15 there was some man here from Toronto connected -- I believe it was the Canadian Textile Union, and he was here for a period of time organizing.

Q. Is there anything you would like to put before  
20 the Commission? A. Yes, I would like to present a case for the Union and their views.

Q. Will you tell us what you would like to say?

A. I have prepared a statement, perhaps I could give  
25 it later.

Q. No, better give it now.

"Mr. Justice and Gentlemen of the Commission:

The situation revealed by your Commission shows  
30 a condition, which must give all Canadians, who have the welfare of their Country at heart, grave concern. On one hand we see small groups, organized,

off. Of course, he was not laid off for organizing

unions or anything like that but he was laid off

nevertheless.

.. A man by the name of Ware was organizing a union?

A. He was president.

.. And he turned up later on without a job?

A. Yes.

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it later.

.. No, better give it now.

Mr. Justice and Gentlemen of the Commission:

The following is a statement of the Commission:

A statement of the Commission, dated 1944, is as follows:

The Commission of the Commission, dated 1944, is as follows:



extremely wealthy represented by able counsel,  
with their Associations and Institutes, boldly  
aggressive and determined to resist every effort  
to control their sway. On the other we see  
the great mass of the workers, unorganized,  
dependent on a bare existence wage, with only a  
few feeble voices to assist them in their struggle,  
always the bugaboo of economic insecurity  
oppressing and overshadowing their daily existence,  
the fear of being out of work and in the bread-  
line ever present.

So, naturally, the question comes to mind  
how are these injustices going to be eliminated  
and conditions improved for the workers. The  
situation in Paris is no different than in  
other centres similarly located, one industry  
dominates the entire community. They say work  
and you work, starve and you go to the Relief  
Office. The citizens of every community  
be  
similarly affected should be released from this  
domination, this power of Life and Death over their  
lives.

The workers must be allowed the right to  
organize their own Unions, certain that they  
will not be intimidated or victimized for union  
membership or activities.

Child labour should be abolished and in this  
direction the School leaving age should be raised

...and determined to resist every effort  
to control their way. On the other we see  
the great mass of the workers, unorganized,  
dependent on a bare existence wage, with only a  
few feeble voices to assist them in their struggle  
against the system of slavery imposed by  
oppressing and overshadowing their daily existence  
the fear of being out of work and in the bread-  
line ever present.

So, naturally, the question comes to mind  
how are these injustices going to be eliminated  
and conditions improved for the workers. The  
situation in Paris is no different than in  
other cities already named, and naturally  
therefore the same remedy. The way out  
and you work, starve and you go to the gutter  
Office. The citizens of every community  
must recognize the fact that this  
domination, this power of life and death over their  
lives.

The workers must be allowed the right to  
organize their own unions, to elect their own  
will not be intimidated or victimized by  
membership or activities.

There is no other way.



to at least 16 years of age, This will protect the child from the greed of both parents and employers at least to some degree.

Another situation, which has given

5 Social Workers in practically every country of the world concern is the problem of the married woman in industry. While we all know that many women are forced to work by circumstances over which they have no control, 10 it would appear that there are cases where no such need exists. That there are cases where the father, mother, son and daughter are probably employed. It would not appear that these 15 people cannot be replaced because any person knows that under the modern industrial set-up, craftsmanship has been discarded for the modern production or speed-up system and almost any 20 person can learn any particular task or operation in very short order. So, there must be some other reason. Is it because they are paid lower wages or is it because where both husband 25 and wife are employed they are more satisfied to take what ever the company sees fit to give them? The Canadian people are entitled to know, because, they must pay the bills for juvenile delinquency, increased prison, 30 enlarged welfare services, ill health, all engendered to some degree by a system which

1931

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them? The Canadian people are entitled to

know, because, they must pay the bills for

household expenses, increased taxation,

and other things, all of which

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encourages the mother to leave home for a  
machine. It stands to reason that a child or  
children bundled out to its nurse or left  
in the care of another child at about 8 o'clock  
in the morning is going to pay the price in  
later life.

The present so-called depression has brought  
another situation to the front, the Minimum  
wage was supposedly set at a standard to provide  
the minimum existence for a worker but the  
situation has changed to-day. We see the minimum  
wage being turned into a joke, where all perhaps  
but this one worker are unemployed, with the  
result that whole families are getting a bare  
existence from this one worker's meagre income.  
This wage should be increased and it is  
apparent, that the Textile Industry is as good  
a place to start as any judging from the profits  
as revealed by your investigations.

The Textile Industry is well able to provide  
a system of Pensions similar to that of the  
Railway's or Government Services. This will  
relieve old age insecurity and lift a heavy  
burden from the tax-payer as it is generally  
known that nearly 50% of the population over 70  
years of age are eligible for old age pensions  
also that the average wage-earner in Canada earns  
a very little over \$1,000 per year and this makes it

encourages the mother to leave home for a

child. It is not a child or

children pushed out to its nurse or left

in the care of another child at about 8 o'clock

in the morning is going to pay the price in

later life.

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wage was supposedly set at a standard to provide

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burden from the tax-payer as it is generally

known that nearly 50% of the population over 70

years of age are eligible for old age pensions



impossible for him to provide adequately for the future.

We might also suggest Health insurance for the Industry but as this would appear already on the horizon it is not necessary to speak further.

It is apparent from your investigation that a 40 hour week with an increased minimum rate of hourly wage is not an impossibility in this industry and this would go a long way to helping the workers in the Textile Industry to a fuller and happier life, relieve them from excessively long hours and give them greater economic security as well as making a considerable dent in the unemployment problem by the necessity of employing more workers.

These suggestions we believe, would greatly help our Canadian Textile workers as we feel that you must agree, that conditions must change if our present democratic system of government is to survive. Gentlemen, the thousands of Textile workers in Canada are looking to you for aggressive action in easing their burdens and our earnest prayer is that your report be of such strength that the Government will be compelled to take action and remove the evils that you have revealed. Thank you."

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to take action and remove the evils that you have

revealed. Thank you."



BY MR. KELLOCK:

Q. My friend was asking you a few questions about yourself. You say that you have been

5 living in Paris for the last four years--am I right in that? A. Yes, sir.

Q. And have you any other occupation at the moment than that of a Union organizer? A. No, I am without employment.

10 Q. Before you took this work what were you last engaged at? A. I worked as waiter in beverage room.

Q. That is in hotel? A. Yes, sir.

15 Q. How long? A. Oh, for about a year, approximately a year.

Q. And how long ago is that? A. That is about six months ago when I had an operation and was compelled to leave that.

20 Q. And you have been working then on your present job since you recovered from your operation? A. Yes, sir.

Q. That is about how long? A. About 6 or 8 weeks ago. I would not hardly call that a job because there is no remuneration.

25 Q. Are you just doing this out of the kindness of your heart? A. Yes, sir.

Q. Or is there no basis of remuneration? A. There is no basis of remuneration. When I was with the Railway Company I was a union member and I could naturally see the benefits of union organization.

30

BY MR. KILGOUR:

Q. My friend was asking you a few questions

about yourself. You say that you have been

living in Paris for the last four years--am I right

in that? A. Yes, sir.

Q. And have you any other occupation at the

moment apart from your profession?

A. I am without employment.

Q. Before you took this work what were you

last engaged at? A. I worked as writer

in beverage room.

Q. That is in hotel? A. Yes, sir.

Q. How long? A. Oh, for about a year.

approximately a year.

Q. And how long ago is that? A. That is

about six months ago when I had an operation and was

compelled to leave that.

Q. And you have not been back since?

A. Yes, sir.

Q. That is about how long? A. About 6

or 8 weeks ago. I would not hardly call that a

job because there is no remuneration.

Q. Are you just doing this out of the kindness

of your heart? A. Yes, sir.

Q. But is there no hope of remuneration?

A. There is no hope of remuneration.

Q. And you are willing to do it for nothing?

A. I could naturally see the benefits of union



Q. I was wondering if you get a Union going if you would not get some commission on membership dues and something of that kind? A. I never heard that suggested.

5 Q. So that you are simply working as a matter of interest on your own part? A. Not necessarily. We hope the outcome of this that the Labour Party will be represented in this riding too.

10 Q. You are more or less interested from the political standpoint? A. From both.

MR. McRUER: He may be their member, so he has got possibilities.

15 THE WITNESS: Ramsay McDonald started, as you know, at the bottom.

MR. KELLOCK: Q. I know, talk it over with my friend and he will give you some tips? A. I would be very glad to

20 MR. McRUER: I like to see young men ambitious.

MR. KELLOCK: Q. How long is it since you have been connected in any way with the Textile business? A. Oh, I have never actually been connected with the textile business.

25 Q. Have you had any other experience as a Union organizer? A. No, this is my first experience.

Q. Is your family living here in Paris?

A. Yes.

30 Q. Have you any relatives working in the Penmans Company? A. Yes.

Q. I was wondering if you got a Union going if you would not get some commission on membership dues and something of that kind? A. I never heard that suggested.

Q. So that you are simply working as a matter of interest on your own part? A. Not necessarily. We hope the outcome of this that the Labour party will be represented in this riding too.

Q. You are more or less interested from the political standpoint? A. From both. Mr. McNULTY: He may be their member, so he has got possibilities.

Q. I know, talk it over with my friend and he will give you some tips? A. I would be very glad to know, at the bottom.

Mr. McNULTY: I like to see young men ambitious. Q. How long is it since you have been connected in any way with the textile business? A. Oh, I have never actually been connected with the textile business.

Q. Have you had any other experience as a U.I. organizer? A. No, this is my first experience. Q. Is your family living here in Paris?

A. Yes. Q. Have you any relatives working in the business company? A. Yes.



9696

Q. Who have you got working? A. My father and brother and my uncle.

MR. KELLOCK: Better not mention names--I don't--

5 THE COMMISSIONER: Pretty hard to keep the names out.

MR. KELLOCK: I have no ulterior motive at all.

Q. I am told that a couple of other relatives of yours are being paid pensions--

THE COMMISSIONER: By whom?

10 MR. KELLOCK: Q. By the Company? A. I

might explain that the pension system is not--

15 C. There is no obligation? A. The Company is under no obligation to pay and to secure that pension it is necessary to go to the Company and almost-- well, I would not say--ask for it, you see. It is not voluntarily entirely on the company's part.

20 Q. There is nothing in the way of the Company-- in fact, in the case of your relatives there was nothing in the way of the Company granting it themselves? A. No.

25 . I just wanted to know how the Company treated your relatives? A. Pardon me, I might say that one of my relatives worked 47 years for the Penmans Company so naturally almost human rights or human justice we would say that party would be entitled to a pension.

30 Q. I just want the facts, that is all. Now, this industrial organization that you represent, that is the same union--do you know Mr. Welsh in Toronto? A. Yes.

9888

Who have you got working?  
A. My father

and brother and my uncle.

MR. KIMLOCK: Better not mention names--I don't--

THE COMMISSIONER: Pretty hard to keep the

names out.

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being paid pensions--

THE COMMISSIONER: By whom?

MR. KIMLOCK: Q. By the Company?  
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A. The Company

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sion it is necessary to go to the Company and almost--

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in the way of the Company granting it themselves?

A. No.

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your relatives?  
A. Pardon me, I might say that

one of my relatives worked 47 years for the Permanent

Company so naturally almost human rights or human

justice we would say that party would be entitled to a

I just want the facts, that is all. Now,

this industrial organization that you represent, that

is the same union--do you know Mr. Welch in Toronto?

10

15

20

25

30



Q. He is in the same organization as you?

A. That is correct.

Q. And this United Textile Workers of America,

that is one of the unions that was disbanded by the

5 American Federation of Labour? A. I am not aware  
of that.

Q. Mr. Welsh told us that that was one of the  
unions that was led by Mr. Lewis and under suspension  
by the American Federation of Labour at the present

10 time? A. I understand there is some contro-  
versy in the American Federation of Labour but as to  
that I cannot say because as far as I know the Union  
is still affiliated.

MR. McPUER: It is too.

15 MR. KELLOCK: Q. Can you tell me how many  
members that you have in your Union here out of the  
employees of Penmans Company? A. I hardly  
think, unless I am required to answer that.

20 Q. You made statement, you know, that your  
reception was very favourable on the whole-

THE COMMISSIONER: Yes, you have to tell us.

25 THE WITNESS: There is the point, naturally  
I get odd jobs. This work I am doing is done at  
night. I am a married man with a family and  
naturally I have to be some evenings at home and I  
cannot go out on this work. I really have been  
working on the canvassing for the last 3 weeks.

30 Of that time really only worked 8 nights on it and  
in that time I probably interviewed, say, 20 people,  
and I have at least secured 15 or 16 signatures.

9897

Q. He is in the same organization as you?

A. That is correct.

Q. And this United Brotherhood of Carriers?

A. That is one of the unions that was disbanded by the

American Federation of Labour? A. I am not aware

Q. Mr. Welsh told us that that was one of the

unions that was led by Mr. Lewis and under assumption

by the American Federation of Labour at the present

very in the American Federation of Labour but as to

that I cannot say because as far as I know the Union

members that you have in your Union have out of the

employees of Hermann Company? A. I hardly

think, unless I am required to answer that.

Q. You made statement, you know, that your

reception was very favourable on the whole-

THE COMMISSIONER: Yes, you have to tell us.

THE WITNESS: There is the point, naturally

I get odd jobs. This work I am doing is done at

night. I am a married man with a family and

cannot go out on this work. I really have been

working on the streets for the last 2 years.

Q. Now, this really only means a change in the

in that time I worked for the same company.

Q. And you are now working in the same business.



Q. Do I understand you correctly that in the last six months that you had been organizing? A.

No, you have that wrong--six weeks.

Q. In the six weeks you have been organizing here you have really worked at it 8 separate evenings?

A. Yes. The method of procedure was to hold public meetings to remind people that their right to organize was recognized and we thought that was better way than to continue underground as had been previously.

Q. You say you have 16 signatures to what?

A. Well, to application card to join the Union, to show their good will more or less.

Q. In other words, at the moment you have no organized branch here? A. No.

Q. You have just got something of the nature of an expression of willingness on the part of 16 people to join if there is one formed? A. Yes.

Q. And that is what you mean by pretty favourable reception on the whole? A. Well, that is comparative-

Q. That is fact that you based that statement on?

A. Comparative statement, as a result of 20 visits I secured approximately 75% of those calls.

Q. You also made another statement that you found a feeling that people were afraid to join a union? A. Yes, sir.

Q. You also said--I suppose you want to be fair in this as well as in all the rest of your evidence--that you really have nothing concrete to base that

Do I understand you correctly that in the

last six months that you had been organizing?

No, you have that wrong--six weeks.

In the six weeks you have been organizing

public meetings to train people that their right to  
organize was recognized and we thought that was better  
way than to continue underground as had been previous-

You say you have 16 signatories to this?

Well, to application on card to join the Union,

to show their good will more or less.

In other words, at the moment you have no

You have just got something of the nature

of an expression of willingness on the part of 16

people to join if there is one formed? A. Yes.

And that is what you mean by pretty respectable

recognition on the whole? Well, that is

comparative-

That is fact that you based that statement on?

Comparative statement, as a result of 16 signs

I received approximately 75% of those calls.

And the fact that you based that statement on?

And a feeling that people were afraid to join a

union? A. Yes, sir.

You also said I suppose you want to be with

in this as well as in all the rest of your organization



statement on at all? A. No, except that at the first initial meetings of the union, at least, initial public meetings, the Superintendent of No. 1 mill, Mr. James and one of his foremen, Mr. Parsons, stood at the bottom of the stairs leading to this hall outside and that had an effect, I am told by outsiders, that certain people that were intending to come to the meeting turned away. Now, whether intimidation or fear or another thing, I cannot say.

Q. That is the only thing you can base that statement on? A. Well, as I say, it is a feeling.

Q. That is the only fact that you can base it on? A. You have never gone to any of the Executives of the mill and discussed the thing with them?

A. As I say, there is a previous case where this Ware was laid off has had an effect.

Q. That was how long ago? A. About 2 years ago.

Q. And you have not any personal knowledge of those circumstances at all? A. No, except what I have been told, I have not any personal knowledge.

Q. I just want to ask you--you do not need to tell me if you do not want to--did you compose the statement that you read to His Lordship, yourself? A. Absolutely, with the help of a booklet issued by Professor of Economics at the University of Toronto.

MR. KILLOCK: That is all. I just want to congratulate you.

statement on it all. A. No, except that at

the first initial meeting of the union, at least,

initial meeting, the statement of Mr. I

will, Mr. James and one of his foreman, Mr. Parsons,

stood at the bottom of the stairs leading to this

hall outside and that had an effect. I am told by

outsiders, that certain people that were intending

to come to the meeting turned away. Now, whether

intimidation or fear or another thing, I cannot

say.

Q. That is the only thing you can see that

statement only. A. Well, as I say, it is a

feeling

Q. That is the only fact that you can base it

on. You have never gone to any of the executives

of the mill and discussed the thing with them?

A. As I say, there is a previous case where this

were was laid off has had an effect.

Q. That was how long ago? A. About 2 years

ago.

Q. And you have not any personal knowledge of those

circumstances at all? A. No, except what I have

been told. I have not any personal knowledge.

Q. I just want to say you--you do not need to tell

me if you do not want to--did you compose the statement

that you sent to the executive, correct? A. Yes--

correctly, with the help of a number of persons

at the time of the meeting.



MR. McRUER: My friend uses authorities-

THE WITNESS: I might say this book is issued  
by the Social Service Council, of Canada

MR. KELLOCK: My friend says I refer to authorities,  
I prefer to do that than to refer to irresponsible  
statements.

Q. I just want to ask you this one question.  
In connection with your efforts or public meetings that  
you spoke of, did you have outside assistance? A.  
Yes, there was.

Q. Where were your assistants from? A. Well,  
from Toronto and Kitchener. Actually there is not  
really a qualified union organizer in Paris and they  
were all Canadian citizens and I would not call them  
outsiders.

MR. KELLOCK: All right.

MR. McRUER: Thank you, Mr. Granton.

-- The Commission adjourned at 12.30 P.M. to  
resume at 2 o'clock P.M.

----

MR. MORRIS: My friend uses authorities-

THE WITNESS: I might say this book is issued

by the Social Service Council of Canada

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In connection with your efforts on public meetings the

you spoke of, did you have outside assistance?

Yes, there was.

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from Toronto and Kitchener. Actually there is not

really a unified union organizer in Paris and they

were all Canadian citizens and I would not call them

-- The Commission adjourned at 12.30 P.M. to  
resume at 2 o'clock P.M.



AFTERNOON SESSION

-- The Commission resumed at 2 P.M.

--

RICHARD THOMSON, Sworn,

5 EXAMINED BY MR. McRUER:

Q. Mr. Thomson, you live in Paris? A. Yes, sir.

Q. And you were at one time connected with Penmans  
Limited? A. Yes, sir.

Q. In what capacity? A. Many.

10

Q. Well, in what capacity were you when you left?

A. I was General manager of the business at that time.

Q. How long were you general manager of the business?

A. Between eight and nine years.

15

Q. When did you leave? A. I think it was 1913.

Q. Prior to that --

THE COMMISSIONER: Seven years of the lifetime of  
Penman's Limited?

20

BY MR. McRUER: Q. You were evidently General  
manager at the time that Penmans Limited took over the  
business from the Penman Manufacturing Company?

A. Exactly.

25

Q. And were you a director of the company at that  
time? A. Prior to the change?

Q. Yes? A. I am not just quite sure. I am  
not altogether sure of that; I think not.

30

Q. Were you ever a director of the Penman  
Manufacturing Company? A. I think not. The reason  
of that is, because there were certain things involved

INTERVIEW

-- The Commission returned at 2 P.M.

EXAMINED BY MR. McNEIL:

Q. Mr. Thomson, you live in Paris?  
A. Yes, sir.  
Q. And you were at one time connected with Germania

Limited?  
A. Yes, sir.  
Q. In what capacity?  
A. Many.

Q. Well, in what capacity were you when you left?  
A. I was general manager of the business at that time.

Q. How long was your general manager of the business?  
A. Between eight and nine years.

Q. When did you leave?  
A. I think it was 1913.  
Q. Prior to that --

THE COMMISSIONER: Seven years of the lifetime of  
Germania's Limited?

BY MR. McNEIL: A. You were evidently General  
manager at the time that Germania Limited took over the

business from the Germania Manufacturing Company?  
A. Exactly.

Q. And were you a director of the company at that  
time?  
A. Prior to the time?

Q. Yes?  
A. I am not just quite sure. I am  
not altogether sure of that; I think not.

Q. Were you ever a director of the Germania  
Manufacturing Company?  
A. I think not. The reason



that made -- Well, I don't recollect; there is no use explaining it; it doesn't make any difference.

5 Q. What was it you were thinking of, when you said there were certain things involved? A. Certain things that come to my mind, and I am trying to be exactly correct. I am trying to give you the evidence as you ask it. But I will say I was not a director.

10 Q. I see. Well now, when the business of the Penman Manufacturing Company was turned over to Penman Limited, apparently D.M. Stewart had acquired a large block of the stock, which he held in trust? A. I do not think so. I think he bought it out directly--

15 Q. He bought - A. The Penman Manufacturing Company from John Penman.

Q. From John Penman? A. Yes, with the concurrence, of course, of his directors.

20 Q. Yes, quite. Do you know whether Stewart was acting on behalf of himself, or on behalf of another group? A. Well, he was the only one in evidence.

Q. I see. You could only surmise, I suppose?

25 A. We presume. He was a banker. He was the Manager, I think, of the Sovereign Bank.

Q. Of the Sovereign Bank? A. Yes. He was the only one I ever saw in the negotiations.

30 Q. Do you know how much Stewart paid for the business? A. He paid \$350 a share.

Q. \$350 a share? A. Yes. That is all recollection, of course, because I haven't any figures.

THOMAS

WOL

that made -- well, I don't recollect; there is no  
was explaining it; it doesn't make any difference.

.. what was it you were thinking of, when you said

.. that came to my mind, and I am trying to be exactly

correct. I am trying to give you the evidence as you

ask it. But I will say I was not a director.

.. I see. Well now, when the business of the

limited, apparently D. S. was not had acquired a large

block of the stock, which he held in trust? A.I.

do not think so. I think he bought it out directly--

.. He bought - .. The Pennan Manufacturing

Company from John Pennan.

.. From John Pennan? .. Yes, with the con-

urrence, of course, of his directors.

.. Yes, yes. Do you know whether Stewart

was acting on behalf of himself, or on behalf of another

group? .. Well, he was the only one in evidence.

.. I see. .. Yes, yes. .. Yes, yes.

.. Yes, yes. .. Yes, yes. .. Yes, yes.

.. Yes, yes. I think, of the Sovereign Bank.

.. Of the Sovereign Bank? .. Yes. He was

the only one I ever saw in the negotiations.

.. Do you know how much Stewart paid for the

.. Yes, yes. .. Yes, yes. .. Yes, yes.



THE COMMISSIONER: Certainly. That is all you can do.

Q. You have no figures, you say? A. I have no figures, no.

5 BY MR. McRUER: Q. I suppose you were a shareholder at that time, Mr. Thomson? A. I was.

Q. So that the purchase price of the-- A. 7200 shares.

10 Q. 7,224 shares. You have got a good recollection, all right. So that the purchase price of the 7,224 shares at \$350 a share would be \$2,528,400.

THE COMMISSIONER: Two million what?

MR. McRUER: \$2,528,400, my lord.

15 Q. And for that securities were issued in the new company for \$5,000,000? A. That is something else again. You are asking about the sale of the business.

THE COMMISSIONER: What is that you say, Mr. McRuer?

20 BY MR. McRUER: Q. Securities in the new company were issued for \$5,000,000, so that there was apparently a profit, in round figures, of \$1,500,000, or \$2,500,000 made on the turn-over? A. Not necessarily.

25 Q. Why? A. Because there wasn't any such profit made.

Q. Well, there were \$2,000,000 in bonds, - at least \$1,500,000 - A. No, there were \$2,000,000 issued.

Q. Well, \$500,000 was provided for in cash.

30 Probably you could tell us about the cash payment of \$500,000? A. Paid into the business, yes.

Q. Was that paid out in cash, or in bonds?

Thomson

THIS COMMITTEE: Certainly. That is all you can

. You have no figures, you say? A. I have no

figures, no.

BY MR. MOHR: A. I suppose you were a shareholder

at that time, Mr. Thomson? A. I was.

. So that the purchase price of the-- A. \$200

shares.

. 7,324 shares. You have got a good recollection

all right. So that the purchase price of the 7,324

shares at \$25 a share would be \$1,831,000.

THE COMMITTEE: Now, what was the

MR. MOHR: \$1,831,000, my lord.

. And for that securities were issued in the new

company-- the \$1,831,000, my lord.

THE COMMITTEE: Now, what was the

THE COMMITTEE: That is that you say, Mr. Mohr?

BY MR. MOHR: A. Securities in the new company

were issued for \$1,831,000, so that there was some cash

a profit, in round figures, of \$1,800,000, or \$2,500,000

made on the turn-over? A. Not necessarily.

. Why? A. Because there wasn't any such profit

made.

. Well, I am not sure, but I think--

A. No, there were \$1,831,000 issued.

. Well, \$1,831,000 was provided for in cash.

THE COMMITTEE: Now, what was the



A. \$500,000 was the price that the persons who got the common stock paid for the common stock. That was cash put into the business.

5 Q. I am talking about the new business? A. Well, it is the new business I am talking about.

Q. The agreement of sale called for the following? A. It called for cash.

10 Q. Called for \$500,000? A. No, it didn't, it called for cash.

Q. We don't want to confuse ourselves, Mr. Stewart? A. I am not confused, you don't understand it; you don't know it. I am telling you.

15 Q. I had the agreement yesterday. It is in the Minute book, and I am telling you what is in the Minute book.

BY THE COMMISSIONERS: Q. There were two agreements for sale. Stewart bought this company -

20 A. And that agreement called for cash.

BY MR. McRUER: Q. All right, Mr. Thomson. Then on the sale from Stewart to the new Company returns called for \$500,000 cash, \$1,500,000 in bonds, \$1,000,000 in preferred stock, and \$2,000,000 in common stock. That is what the new agreement called for. Do you know anything about the sale from Stewart to the new Company? A. No, I do not.

30 Q. Well then, that is all right, we have the record of it. I think that is all, Mr. Thomson.

MR. KELLOCK: No questions, my lord.

A. \$500,000 was the price that the persons who got the common stock paid for the common stock. That was cash put into the business.

I am talking about the new business A. Well, it is the new business I am talking about.

The agreement of sale called for the following A. It called for cash.

It called for \$500,000 A. No, it didn't, it called for cash.

We don't want to make ourselves, Mr. Stewart A. I am not confused, you don't understand it; you don't know it. I am talking you.

I had the agreement yesterday. It is in the minute book, and I am telling you what is in the minute book.

for sale. Stewart bought this company - A. And that agreement called for cash.

BY Mr. Stewart: All right, Mr. Brydie, then on the sale from Stewart to the new company returns -

\$1,000,000 in preferred stock, and \$5,000,000 in common stock. That is what the new agreement called for. Do you know anything about the sale from Stewart to the new company? A. No, I do not.

Well then, that is all right, we have the record of it. I think that is all.



THE COMMISSIONER: Thank you, Mr. Thomson.

--

HERBERT W. LUNDY, Recalled,

5

EXAMINED BY MR. McRUER:

Q. Mr. Lundy, the Penman Company manufacture full-fashioned hosiery? A. Yes, sir.

10

Q. And, for a number of years, an agreement was in effect providing for certain prices on full-fashioned hosiery; that is true, is it not?

A. With whom?

15

Q. An agreement between prospective manufacturers of full-fashioned hosiery and one Douglas Hallam?

A. Our agreement was with Hallam.

Q. Yes. The Penman Company signed those agreements, did it not? A. Oh, yes.

20

Q. Yes. I am showing you an Exhibit, which is No. 563, which is signed by Penman's Limited, per F.W. Singer, Merchandise officer? A. Yes.

25

Q. And this agreement provides for certain prices which were minimum prices that the Penman Company were undertaking not to sell lower than.

A. Our declaration was to Hallam as to prices, and he said that if we changed our prices we would give him 15 days' notice.

30

Q. And all the other mills were agreed to the same price? A. I do not know.

Q. Well, you know perfectly well, that you were

1. m. 98

Thank you, Mr. Thompson.

RECEIVED THE COMPANY

...the ... A ... *Pyralis tenax* ...

and, for a number of years, an agreement was

1. The first step is to identify the problem.

516. It is not a. On you.

.. Yes. I am showing you an Exhibit, which is

4. Our declaration was to believe as to prices,

know we really two because we if just like an hour



circularized with a multigraph circular from Mr. Hallam for signature? A. Exactly.

Q. And do you suggest that you do not know that other mills had agreed to the same price? A. Oh, I did not say that, sir.

Q. Well then-- A. You said, all other mills.

Q. The other mills all signed the agreement agreeing to the same price? A. Well, --

Q. That was the understanding, that they were? A. Their obligation was to Hallam, I suppose, the same as ours.

Q. The understanding was that they would make their obligation to Hallam? A. Correct.

Q. What was the idea in agreeing with Hallam instead of agreeing among yourselves?

A. Well, we wanted to exchange price information.

Q. Well, you were making an undertaking, signing an undertaking that you would not sell at less than certain prices? A. Without giving 15 days notice.

Q. Without giving 15 days notice? A. Exactly.

Q. Why were these agreements entered into?

A. Well, the prices, - if you will look at them, if I could explain, perhaps.

Q. I am asking you why they were entered into; I am not asking you anything about the price.

A. May I explain a little?

Q. Go ahead and explain anything you wish?

A. In 1926, I think it was, we put in our first machines

circumstances with a multiplicity of factors from Mr. Hall

for signature? A. Exactly.

Q. And do you suggest that you do not know that

other mills had agreed to the same price? A. Oh,

I did not say that, sir.

Q. Will you say, then, that all the mills

Q. The other mills all signed the agreement

agreeing to the same price? A. Well, --

Q. That was the understanding, that they were?

A. Their collection was to follow, I suppose, the same

as before.

Q. The understanding was that they would make

their collection to follow? A. Correct.

Q. That was the idea in agreeing with Indian

instead of agreeing among themselves?

A. Well, we wanted to exchange price information.

Q. Well, you were making an understanding, signing

an understanding that you would not sell at less than

certain prices? A. Without giving 10 days notice.

Q. Without giving 10 days notice? A. Exactly.

Q. Why were these agreements entered into?

A. Well, the prices, -- if you will look at them,

if I could explain, perhaps.

Q. I am asking you why they were entered into?

I am not asking you anything about the notice.

A. Why I explain that?

Q. In fact, I think it was we put in our prices



on the full-fashioned. I am not sure of the exact date,  
but approximately that time.

5 . Yes, go ahead? A. At that time the approximate  
price, the popular price of silk hosiery over the counter  
was \$1.50 a pair.

Q. Yes? A. And in the interval, down to about  
1932 or 1933, the price dropped to approximately 75  
cents a pair over the counter.

10 BY THE COMMISSIONER: Q. From what to what?  
A. From \$1.50 a pair to 75 cents a pair, over the counter.

Q. And you say that was in 1926? A. Within  
about eight years.

15 Q. At the beginning of 1926.

MR. McRUER: At the installation of the full-  
fashioned hosiery machines took place?

MR. KELLOCK: That is what he is talking about.

MR. McRUER: That is what brought it down.

20 THE WITNESS: Competition brought it down.

BY MR. McRUER: Q. Well, it was the installation  
of full-fashioned hosiery machines by the various  
other mills? A. Well no. I know the price  
25 of silk came down.

BY THE COMMISSIONER: Q. You mean raw silk?

BY MR. McRUER: Q. Well, other than the price of  
raw silk, it was the installation of these machines  
by other mills that brought the price down?

30 A. Well, that may have had something to do with it,  
but it was also due to the fact that we were in a

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... I am not sure of the  
... but ...  
...  
... the popular price of silk hosiery over  
... was \$1.50 a pair.

... Years?  
... and in the interval, down to  
1933 or 1934, the price dropped to approximately  
cents a pair over the counter.

BY THE COMMISSIONER: From what to what?  
A. From \$1.50 a pair to 75 cents a pair, over the  
C. And you say that was in 1933?

... At the beginning of 1935.  
MR. MORRIS: At the installation of the full-  
featured hosiery machines took place?

MR. KILLOCK: That is what he is talking about.  
MR. MORRIS: That is what brought it down.

...  
...  
...  
... well no. I knew the price  
of silk came down.

BY THE COMMISSIONER: You mean raw silk?  
MR. MORRIS: Well, other than the price of  
raw silk, it was the installation of these machines

by other mills that brought the price down?  
... well, that may have had something to do with it.

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depression period.

BY THE COMMISSIONER: Q. Well, did it have anything to do with it?

5 BY MR. McRUER: Q. Did the installation of these machines have anything to do with bringing down the price? A. I suppose competition had.

10 Q. Leaving competition out for the moment, did the machines themselves, - did the fact that these machines were installed have any effect in bringing down the price? A. Well, I think the product from them.

BY THE COMMISSIONER: Q. The product from what? A. The product from the machines.

15 Q. Surely you understand that. We are talking of the product of the machines.

MR. KELLOCK: I do not think he does, my lord. I think the machines were right there at the beginning.

20 THE COMMISSIONER: I thought Mr. McRuer was putting his question on the assumption that there had been an installation of new machines.

BY MR. McRUER: When full-fashioned hosiery came in, it is a fact, is it not, that only a few mills had machines installed? A. Yes.

25 Q. That is correct? A. Yes.

Q. And the price was high then? A. The price of silk was high.

Q. And the price of the stockings was high? A. Yes.

30 Q. And what I am putting to you is, that the installation of those machines by other manufacturers

depression period.

THE COMMISSIONER: Well, did it have anything

to do with it?

BY MR. McNEER: Did the installation

these machines have anything to do with bringing on

the depression?

A. Leaving competition out for the moment, did

the machines themselves, - did the fact that these

machines were installed have any effect in bringing

the price? A. Well, I think the product from the

BY THE COMMISSIONER: The product from the

A. The product from the machines.

A. Surely you understand that. We are talking

of the product of the machines.

MR. McNEER: I do not think he does, my lord.

I think the machines were right there at the beginning

THE COMMISSIONER: I thought Mr. McNeer was

putting his question on the assumption that there had

been an installation of new machines.

BY MR. McNEER: When full-fashioned hosiery came

in, it is a fact, is it not, that only a few mills

had machines installed? A. Yes.

A. Yes.

A. And the price was high then? A. The price of

the raw wool.

THE COMMISSIONER: The price of the raw wool was high at the

time that the machines were installed, was it not?

THE COMMISSIONER: I am not sure, but I think it was.



brought the price down? A. Well, the product from the machines would increase the competition.

Q. And that brought the price down? A. Not altogether - the price of silk, sir.

Q. I know, but outside of the price of silk, isn't that what brought the price down? A. I would think that would be it.

THE COMMISSIONER: Was this same hosiery being made by other machines before?

BY MR. McRUER: Q. You were making silk hosiery by other machines? A. Oh, practically none.

Q. Until the full-fashioned machines came in? A. There were in years gone by a few circular silk hose put on the market, but they did not meet with popular acceptance; we may have made a few; I cannot remember that, but it was never a large business with us.

Q. Then, you were going to tell us the cause that led up to the signing of these agreements?

A. The price came down to 75 cents over the counter, the universal price. That simply meant that there would be a universal price to the retail trade.

Q. How did the universal price at 75 cents over the counter occur; how was that arrived at?

A. It came down from \$1.50 to \$1.00, and from \$1.00 to 75 cents, and that seemed to be the resting point.

Q. I know it rested there, but why do you say

Lady

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brought the price down? A. Well, the product brought the price down? the machines would increase the competition.

... and that brought the price down? A. Not at all together - the price of silk, sir.

... I know, but outside of the price of silk, isn't that what brought the price down? A. I was

... this same history being

BY MR. BRYON: You were making silk history

... until the full-fashioned machines came in? A. There were in years gone by a few different silk those put on the market, but they did not meet with popular acceptance; we may have made a few; I cannot

that led up to the signing of these agreements? A. The price came down to 75 cents over the counter

would be a universal price to the retail trade. A. Now did the universal price at 75 cents over the counter occur; how was that arrived at?

A. It came down from \$1.50 to \$1.00, and from \$1.00 to 75 cents, and that seemed to be the resting point.



that a universal price of 75 cents over the counter brought about a universal price to the trade? I have asked a great many manufacturers - Hallam, Burns and other people - about this, but this is the first time I have had that explanation. Why do you say that brought about a universal price to the trade, and if it did bring about a universal price to the trade, why did you have to sign these agreements?

A. The price to the trade would be around, approximately, \$5.85, \$5.90 and \$6.00 for a 75¢ article.

BY THE COMMISSIONER: Q. That is a dozen?

A. That is a dozen, tax included.

BY MR. McRUER: Q. Go on and tell me why you signed these agreements; that is what I am getting at.

A. Well, because at that point there seemed to be a point where the production of silk hosiery at any lower price than that, certainly the mill could not break even.

Q. Yes. Well, why did you sign an agreement, and why did those mills, - and we have as many as 20 out of 22 at one stage signed the agreement; why not let them look after their own business?

A. Well, if they all looked after their own business, well, of course, the price would continue to go down and down.

Q. Why not. Why couldn't they do it if they wanted to?

A. There is nothing to hinder them,

that a universal price of 75 cents over the cents

brought about a universal price to the trade? I

have asked a great many manufacturers - Hellen,

things and other people - about this, but this is a

first time I have had that explanation. Why do

you say that brought about a universal price to the

trade, and if it did bring about universal price

to the trade, why did you have to sign these

agreements? A. The price to the trade would

be around, approximately, \$8.25, \$8.50 and \$8.00 for

the different grades.

Q. How did you get that price?

A. That is a dozen, tax included.

Q. Now, Mr. Brydie, 4.00 on and tell me why you sign

these agreements; that is what I am getting at.

A. Well, because at that point there seemed to be a

point where the production of silk hostility at any

lower price than that, certainly the mill could not

stand it.

Q. Now, Mr. Brydie, why did you sign these

and why did those mills, - and we have so many as

50 out of 55 at one stage signed the agreements?

Why not let them look after their own business?

A. Well, if they all looked after their own business

well, of course, the price would continue to go down

and down.

Q. Now, Mr. Brydie, why do it if they

Q. The price to the trade would



on 15 days' notice, to put it down to any price they desired.

5 Q. You were geally getting together and agreeing on a price, that was what was happening? A. I admit that our obligation was only to Hallam.

10 Q. Yes. But the purpose of your becoming obligated to Hallam was so that you would all sell at the same price? A. We were trying to stabilize the market at an unprofitable level --

15 Q. Whether it was unprofitable or profitable - and I doubt if Penmans ever did anything unprofitable, but whether it was profitable or unprofitable, what you were trying to do was to agree with Hallam to the one price; that was your objective? A. That was the result of it, certainly.

20 Q. Yes, and the intended result? A. I have just said, sir, that we were naturally trying to stabilize the market at a price where we might possibly break even.

25 Q. All right, we will say that was your ideal, but the ultimate result was that you should all agree as to the same price? A. Our obligation, sir, was only to Hallam, and was only on 15 days.

30 Q. I know, ~~we~~ but the intended result was that you should agree with Hallam as to the same price? A. That would be the practical result, certainly.

Q. The intended practical result, yes.

on 15 days' notice, to put it down to any price they  
desired.

. You were really getting together and agreeing

on a price, that was what was happening? A. I

admit that our obligation was only to Hallam.

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obligated to Hallam was so that you would all sell

at the same price? A. We were trying to stabilize

the market at an unprofitable level --

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. Yes, and the intended result? A. I

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to stabilize the market at a price where we might

possibly break even.

. All right, sir, but what was your

but the ultimate result was that you should all agree

as to the same price? A. Our obligation, sir,

was only to Hallam, and was only on 15 days.

. I know, sir, but the intended result was that you

should all agree to the same price, sir.

. That would be the practical result, certainly.

. The intended result, sir.



That is what you wanted to do, that was your objective?

A. Well, you have the fact, sir.

Q. Well, is it not? I want to know from you; I want to hear you say so? A. I said, we desired to stabilize the market price at something where we may possibly break even.

Q. Can you explain why you do not want to answer my question directly; was the intended result not this, that you manufacturers, - all the manufacturers wanted to agree with Hallam to sell at the same price? A. I will say that was the desired result.

Q. All right, I won't say anything against the use of the word desired as against intended. Now, how was the price that you were to agree on arrived at? A. Well, I think probably it was already in existence.

Q. Pardon? A. It was probably already in existence.

Q. No, it was not in existence in that way. You must have sat down and calculated it and worked it out in some way; how did you get that worked out?

A. I will repeat, sir, that I think the price was already in existence in the market, and was a common price.

Q. Well, it could not have been in existence in the market at a common price, or you would not have needed to agree on it, would you? A. Well, it would be quite possible for the price to go down further, would it not?

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That is what you wanted to do, that was your object

A. Well, you have the fact, sir.

A. Well, is it not? I want to know from you;

I want to hear you say so? A. I said, we desired

to stabilize the market price at something where we

may possibly break even.

Q. Can you explain why you do not want to an

my question directly; was the intended result not a

that you wanted to do, - all the intention was

to agree with Hallam to sell at the same price?

A. I will say that was the desired result.

Q. Now, I want to ask you, sir, what was the

the use of the word desired as against intended.

Now, now was the price that you were to agree on at

and A. Well, I think probably it was already in

existence.

Q. Pardon? A. It was probably already in exist

A. No, it was not in existence in that v

You must have set down and calculated it and worked

out in some way; how did you get that worked out?

A. I will repeat, sir, that I think the price was

already in existence in the market, and was a common

price.

A. Well, it could not have been in existence in the

market at a common price, or you would not have

be able to get the price to go down further,

would it not?

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Q. It might. Well then, to make it short, in regard to the full-fashioned agreements, the whole thing came to an end in January last, because Thomson of the Canadian Silk Products would not enter into the agreement? A. I would have to look back, sir, and make sure of that.

Q. Well, I will show you a circular letter, Exhibit 689, from Mr. Hallam to Mr. Burns, and it is a multigraph letter; probably you have one on your files some place. Have you seen a letter like that? A. I think I have, sir.

Q. Yes. And that reads:

"Full Fashioned Hosiery,

The spokesman who was to approach Canadian Silk Products in Montreal to-day has just advised me that there is no chance of getting Mr. Thompson to agree on any basis acceptable to the other mills. For this reason the market is open but:

Please remember that silk is \$2. per lb.

That the consumption of silk stockings can take all the Canadian production which is not exported.

That precipitate action should not be taken."

Q. Now, were you at a meeting in Montreal or was there a meeting in Montreal in respect to this matter? A. That letter does not read as if

4. It might, I think, be made is short,

in regard to the full-fledged agreements, the who

thing came to an end in January last, because Thom

of the situation this morning with the same type

the Government, and I think that is the case

and, and that was the result.

... Well, I will show you a circular letter,

Exhibit 680, from Mr. Malin to Mr. Burns, and it is

a photograph letter; probably you have one on your

files some place. Have you seen a letter like that?

... Well, I think so.

Yes. And that was:

Full-fledged agreement.

... Well, I think so.

Canadian Milk Producers in Montreal to-day

has just advised me that there is no chance

of getting Mr. Thompson to agree on any basis

... Well, I think so.

the market is open but:

Please remember that milk is \$2. per lb.

That the consumption of milk stockings

can take all the Canadian production which

is not exported.

That precipitate action should not be

... Well, I think so.

... Well, I think so.

... Well, I think so.

... Well, I think so.



it were.

Q. Well, were you at a meeting in Montreal with respect to it? A. Not that I remember.

Q. Were you ever at a meeting in Montreal when the full-fashioned prices were discussed? A. I think I was, sir.

Q. And were you ever at a meeting in Hallam's office when the prices were discussed? A. I don't recall being at any meeting in Hallam's Office.

Q. But you were at a meeting in Montreal? A. I think so.

Q. Was that of the Hosiery Section of the Silk Association? A. Presumably.

Q. Yes. And when you met in Montreal did you agree then as to what the price should be for the future? A. We would discuss our existing declarations.

Q. Yes. Well now, I show you a copy of a letter from your files, dated February 16th, 1933, will you just look that over.

THE COMMISSIONER: Is that an exhibit?

MR. McRUER: No, my lord.

THE COMMISSIONER: Are you putting it in?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: Who is it from?

MR. McRUER: It is from Tennant's Limited, to the Silk Association of Canada.

THE COMMISSIONER: What is the date of it?

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Q. Now, you say that in 1933, you were in Montreal?

A. Not that I remember.

Q. Were you ever at a meeting in Montreal when the

full-fashioned prices were discussed? I think

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Q. And were you ever at a meeting in Hamilton's

office when the prices were discussed? A. I don't

recall being at any meeting in Hamilton's Office.

Q. But you were at a meeting in Montreal?

A. I think so.

Q. Was that of the Hosiery Section of the Silk

Association? A. Presumably.

Q. Yes. And when you met in Montreal did you

agree then as to what the prices should be for the

future? A. We would discuss our existing dealer-

ships.

Q. Yes. Well now, I show you a copy of a letter

from your files, dated February 18th, 1933, will you

not look that over.

THE COMMISSIONER: Is that an exhibit?

MR. MCNEER: No, my lord.

THE COMMISSIONER: Are you putting it in?

MR. MCNEER: Yes, my lord.

THE COMMISSIONER: Who is it from?

MR. MCNEER: It is from Hannan's Limited, to the

Association of Canada.

THE COMMISSIONER: That is the end of the



THE WITNESS: February 18th, 1933, my lord.

THE COMMISSIONER: That will be Exhibit 707.

EXHIBIT 707: Letter dated February 18th, 1933,  
from Penman's Limited to the Silk  
Association of Canada.

MR. MORUER: It is addressed to the Silk Association  
of Canada, my lord, and reads as follows:

"Dear Sirs: Attention - Mr. Douglas Hallam.

The following is our idea of a sound  
price structure for minimum quotations on Full  
Fashioned silk hose:

1. First quality silk hose, six-thread Cotton  
top and foot,

Branded merchandise, \$6.00 Tax Included

Unbranded 6.00 " " "

2. First quality Chiffon Silk Hose, 42 gauge four-  
thread construction,

Branded Merchandise \$6.00 Tax Included

Unbranded 6.00 " " "

3. First quality Silk Hose, any other construction  
not described in No. 1 and No. 2.

Branded Merchandise \$6.75 Tax Included

Unbranded 6.75 " " "

All quotations F.O.B. Mill; Terms NET 30 days  
1st following

From Branch Warehouse Stocks

Winnipeg Vancouver,

On items 1 and 2 \$6.25 Tax Included \$6.30 Tax  
included."

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

THE COMMISSIONER: That will be Exhibit 707.

EXHIBIT 707: Letter dated February 19th, 1953, from Penman's Limited to the Silk Association of Canada.

MR. MEMBER: It is addressed to the Silk Association

of Canada, my lord, and reads as follows:

REPLY TO MR. MEMBER'S QUESTION

The following is our idea of a sound

method of valuing the various qualities of silk

Washed silk hose;

1. First quality silk hose, all-around quality

top and foot

Branded merchandise, \$8.00 Tax Included

Unbranded " 8.00 "

2. First quality silk hose, all-around quality

Branded merchandise

\$8.00 Tax Included

Unbranded " 8.00 "

3. First quality silk hose, any other construction

not described in No. 1 and No. 2.

Branded merchandise \$8.75 Tax Included

Unbranded " 8.75 "

All quotations T.O.B. Mill; Terms NET 30 days

See following

From Standard Catalogue

Valuation

On items 1 and 2, \$8.00 Tax Included, \$8.75 Tax

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So apparently Penman's Limited was advising Mr. Hallam as to what they thought the price ought to be?

A. Well, we are entitled to our opinions, sir.

Q. Well, you were offering your opinion in arriving at a price that would be set under these agreements?

A. I don't know whether those prices suggested were the same as we would declare to have or not.

Q. But it was for the purpose of making suggestions in regard to those prices? A. It certainly was a suggestion.

Q. Yes... Now, Mr. Lundy, the Silk Association of Canada supplied you, and other members of the Hosiery Section of the Silk Association, with production reports from month to month? A. They have done that for a number of years, sir.

Q. And the object of getting these production reports, is what, Mr. Lundy? A. Well, we can see what is being made in the trade, and what is being sold in the trade.

Q. Yes, so that you can control your production accordingly? A. Not necessarily. To see what proportion of the sales we are getting.

Q. To see what proportion of the sales you are getting? A. Yes.

Q. Yes. You say, "Not necessarily;" so that you can control your production accordingly; is it not one of the objects?

... Mr. ...  
... as to what they thought the price ought to be ...  
... well, you were offering your opinion in ...  
... at a price that would be set under these agreements ...  
... A. I don't know whether those prices suggested were ...  
... But it was for the purpose of making suggestions ...  
... in regard to those prices? A. It certainly was ...  
... a suggestion.  
... Canada applied you, and other members of the ...  
... section of the Silk Association, with production ...  
... reports from month to month? A. They have done ...  
... last for a number of years, sir.  
... what is being made in the trade, and what is being ...  
... sold in the trade.  
... A. Yes, so that you can control your production ...  
... proportion of the sales we are getting.  
... To see what proportion of the sales you are ...  
... You say, "not necessarily;" so that you ...  
... can control your production accordingly; is it not ...  
... one of the objects

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A. Well, if we saw a very large quantity of hosiery being made from month to month, and very small sales, and we were not getting a proportion even of those sales, well, naturally it enables us to plan our production programme.

Q. It enables you to plan your production programme; that is what you say? A. Yes, it enables us to plan our production programme.

... will, it is not a very good thing to have  
being made from month to month, and very small sales.

and we were not getting a proportion even of those

sales, well, naturally it enables us to plan

... it enables you to plan your production

programme; that is what you say? ... it enables

us to plan our production programme.

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Q. Now, did you apply from time to time for leave to sell discontinued lines? A. I think by the

declaration to Hallam it was understood that if we had discontinued lines to sell we would notify him.

5 Q. You do more than that, you get a permit?

A. I don't recall that, sir.

BY THE COMMISSIONER: Q. You got a permit if you were to sell them at a lesser price than first quality?

A. That may have been the case.

10 Q. According to my recollection that is the only case you really required a permit.

MR. KELLOCK: That is right.

15 BY MR. MORRIS: Q. If you were going to sell<sup>a</sup>/discontinued line at a lesser price than that set out in the agreement you would apply for a permit, and what was the reason for that? A. Certain misrepresentations had been made on goods advertised for sale by dealers.

20 Q. What are you talking about, what sort of misrepresentations? Why did you need a permit of that kind? A. They would be sold at low prices.

25 Q. Pardon? A. They would be sold at low prices over the retail counter and if investigated they would be found to be discontinued shades or styles or something like that.

30 Q. Well, if they are discontinued shades sold at low prices over the counter what reason is that for the manufacturer applying to Mr. Douglas Hallam for a permit to sell at any price he liked?

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Q. Now, did you apply from time to time for leave

to sell discontinued lines? A. I think by the

had discontinued lines to sell we would notify him.

Q. You do more than that, you get a permit?

A. I don't recall that, sir.

BY THE COMMISSIONER: Q. You got a permit if you

were to sell them at a lesser price than first quality.

A. That may have been the case.

Q. According to my recollection that is the only

case you really required a permit.

MR. KENNEDY: That is right.

BY MR. KENNEDY: Q. If you were going to sell discon-

tinued line at a lesser price than that set out in

the agreement you would apply for a permit, and what

was the reason for that? A. Certain misapprehen-

sions had been made on goods advertised for sale by

dealers.

Q. What are you talking about, what sort of mis-

representations? Why did you need a permit of that

kind? A. They would be sold at low prices.

Q. Partly? A. They would be sold at

low prices over the retail counter and if investigated

they would be found to be discontinued shares or styles

or something like that.

Q. Well, if they are discontinued shares sold at

low prices over the counter what reason is that

for the manufacturer applying to Mr. Douglas Wilson



A. So that he would have the information.

Q. What in the world would he do with it when he got it?

A. The information was on file in his office. We could apply to him to find out if other people were selling discontinued and the other people could apply to see if we were selling discontinued.

Q. What did you want to know that for?

A. To keep the market from going to pieces.

Q. To keep the price up? A. Not the price up; to keep it from going down.

Q. Well, alright then, if you keep it from going down you would be keeping it up, wouldn't you?

A. I think there is a difference.

Q. You think there is a difference. Well alright; now, we have a letter filed in Toronto, which is dated December 14, 1935, exhibit 589, which reads as follows:-- it is addressed to the Canadian Woollen and Knit Goods Association -- by the way, you are the president of this association, are you not? A. I am at the present time, yes. What date is that?

Q. December 14, 1935.

THE COMMISSIONER: Just a minute -- yes, it is a letter from J. R. Moodie?

MR. McRUER: Yes, my lord.

"Will you kindly have the following notice sent out to Zimmerknit's, Penman's and Mr. A.W. Dodds, reading as follows:

With reference to children's fleece lined sleepers

A. So that he would have the information.

Q. What in the world would he do with it when he

got it? A. The information was on files in

his office. We could apply to him to find out if

other people were selling discounted and the other

people could apply to see if we were selling discom-

tinued.

Q. What did you want to know that for?

A. To keep the market from going to pieces.

Q. To keep the price up? A. Not the price up, to

keep it from going down.

Q. Well, alright then, if you keep it from going

down you would be keeping it up, wouldn't you?

A. I think there is a difference.

Q. You think there is a difference. Well alright;

now, we have a letter filed in Toronto, which is dated

December 14, 1935, exhibit 589, which reads as follows:

it is addressed to the Canadian Woolman and Knit Goods

Association -- by the way, you are the president of

this association, are you not? A. I am at the

present time, yes, I am at the

December 14, 1935.

THE ASSOCIATION: Just a minute -- yes, it is a

letter from J. R. Woodley?

MR. WOODLEY: Yes, my lord.

Will you kindly have the following notice sent out



"For Fall 1936, arrangements have been completed whereby this line will be listed at the following prices. The sleeper is made on a basis of 5-3/4 lbs for size 5 and is sold in sizes 1 to 6 at the prices mentioned.

Plain garment without pocket, \$5.70 per dozen.  
Garment with pocket or with pocket and transfer on same, \$5.90 per dozen. These goods are as a rule, boxed 1/2 dozens, but if wanted papered in one dozens, no change in these prices is to be made."

Now, will you tell me why Moodie should be notifying the Canadian Woollen and Knit Goods Association to notify Penmans, Zimmerknit and Dodds as to the prices they were charging on children's sleepers?

A. Well, they were notifying us what their price was going to be.

Q. Now, Mr. Lundy -- A. Yes, sir.

Q. Do you think I would waste my time asking you the question if that was the answer to it. I know what they are doing. I am asking if you know why they are doing it. A. I beg your pardon, I didn't get your question.

Q. Just listen to my question; I am asking you as the manager of Penmans, and as president of the Canadian woollen and Knit Goods Association why Moodies should be notifying the Canadian Woollen and Knit Goods Association to tell Penmans and tell Zimmerknit and tell Dodds the prices they were selling children's sleepers at? A. Presumably they would

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"For Fall 1930, arrangements have been completed whereby this line will be listed at the following prices. The sleeper is made on a basis of 5-5/4 lbs. for size 5 and is sold in sizes 1 to 6 at the prices mentioned.

Plain garment without pocket, \$3.75 per dozen. Garment with pocket or with pocket and transfer on same, \$3.90 per dozen. These goods are as a rule, boxed 1/2 dozens, but if wanted repacked in one dozens, no change in these prices is to be made."

Now, will you tell me why Moodie should be notifying the Canadian Woolen and Knit Goods Association to notify Hermann, Zimmerman and Dodd as to the prices they were charging on children's sleepers?

A. Well, they were notifying as what their price was.

Q. Now, Mr. Jundy -- A. Yes, sir. Q. Do you think I would waste my time asking you the question if that was the answer to it. I know what they are doing. I am asking if you know why they are doing it. A. I hear your question. I

Q. Just listen to my question; I am asking you as manager of Hermann, and as president of the Canadian Woolen and Knit Goods Association why Moodie should be notifying the Canadian Woolen and Knit Goods

Association as to tell Hermann and tell Zimmerman and

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not want us to sell at less than their prices.

Q. Is it customary in the trade to notify your competitors as to your prices presumably not wanting them to sell at lesser prices? A. Well, they can use their own judgment.

Q. Well, I show you a letter taken from your own files here.

THE COMMISSIONER: What is that?

MR. McRUER: From Mr. Hallam.

THE COMMISSIONER: What exhibit is it?

MR. McRUER: It is not in, my lord. It is dated the 16th of December 1935 from Hallam to Mr. Lundy.

THE COMMISSIONER: It will be exhibit 708.

MR. McRUER: It is dated two days after the Moodie letter to the Canadian Woollen and Knit Goods Association and reads as follows:

"Dear Mr. Lundy: Children's Fleece Lined Sleepers  
Fall 1936

Arrangements have been completed whereby Children's Fleece Lined Sleepers for Fall 1936 will be listed at the following prices:

Sleeper is made on a basis of 5-3/4 lbs. for size 5 and is sold in sizes 1 to 6 at the prices mentioned. Plain garment without pocket - 5.70 per doz. Garment with pocket or with pocket and transfer in same - 5.90 per doz. These goods are as a rule, boxed 1/2 dozens, but if wanted papered in one dozens, no change in these prices is to be made."

not want us to sell at less than their prices.

9. Is it customary in the trade to notify your

competitors as to your prices (presumably not notify

them to sell at lesser prices)? A. Well, they

can use their own judgment.

10. Well, I show you a letter taken from your own

file.

THE COMMISSIONER: What is that?

MR. KERR: From Mr. Hallam.

MR. KERR: It is not in my file. It is dated the

15th of December 1935 from Hallam to Mr. Langley.

THE COMMISSIONER: It will be Exhibit 708.

MR. KERR: It is dated two days after the receipt

letter to the Canadian Medical and Dental Board.

Accountants and records as follows:

"Letter Mr. Langley: Children's Floor Lined Sleepers  
Fall 1935"

Arrangements have been completed whereby

Children's Floor Lined Sleepers for Fall 1935 will

be listed at the following prices:

Sleeper is made on a basis of 5-8 1/4 lbs. for

size 5 and is sold in sizes 1 to 6 at the prices

mentioned. This garment without pocket -

and trousers in same - 5.90 per doz. These goods

are as a rule, boxed & cased, but it was found

in one dozen, no change in these prices is to be

made."



EXHIBIT NO. 708:

Letter from Hallam to Lundy  
dated December 16, 1935.

BY MR. McRULR: Q. Now, this is on the letter paper  
of the Canadian Woollen and Knit Goods Manufacturers  
Association. It is signed by Hallam as secretary  
and addressed to you. Now, apparently there were  
arrangements made by the Canadian Woollen and Knit  
Goods Manufacturers Association that these sleepers  
were to be sold at this price?

A. Well, I would  
say so. Whether our price is exactly that I cannot  
say without reference to our fall price list of that  
year.

Q. But apparently what these manufacturers were  
doing through the Canadian Woollen and Knit Goods  
Manufacturers Association was arranging a common  
price for the same article?

A. Our price may  
have been that or within a few cents of it, one way  
or another. I cannot tell exactly.

THE COMMISSIONER: Pardon me, doesn't the letter say  
arrangements have been made?

MR. McRULR: Yes, "arrangements have been completed  
whereby children's fleece lined sleepers for Fall 1935  
will be listed at the following prices". You were  
not walsling on the arrangement, were you?

A. I don't know that we made an arrangement; doesn't  
Mr. Moodie's letter read a little differently to that?

A. Moodie writes to the Association and two days  
afterwards the Association's secretary writes to the  
president, which is you?

Q. Pardon?

A. Not as president, sir.  
A. Not as president.

第 2 次

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RECEIVED BY: 1001  
DATED: December 18, 1958.

very top sold at this price? A. Well, I would

any without reference to our fall price list of that  
any so. Whether our price is exactly that I cannot

2. But apparently what these manufacturers were doing through the Canadian Woollen and Knit Goods

THE COMMISSIONER RE: Person me, doesn't the letter as

Mr. Moody's letter reads a little differently to that I don't know that we made an arrangement; doesn't say so

president, which is your  
a. Not as president.



Q. He writes to you as Penmans.

THE COMMISSIONER: The general manager.

MR. McRUER: You are the general manager of Penmans and I think that is more important. Now, Moodie asks him to notify Penmans, Zimmerknit and Dodds as to the prices. Then, Hallam notifies you that these arrangements have been made. Now, what were you doing there but agreeing that you would not compete on prices on that article, children's sleepers? A. That is the lowest priced line, sir.

Q. That may be; I am saying you would not go below that line, that price; that is correct, isn't it?

A. I think so.

Q. Now, I want to run over some documents contained in a file here that comes from your files. Here is a multigraphed circular on the letter head of the Canadian Woollen and Knit Goods Manufacturers Association dated April 24, 1933 and addressed to B.K. Gunn, Penmans Limited. It reads as follows:

"Dear Sir:

Ladies Underwear  
Fall 1933

Owing to misrepresentations being made as to prices at which ladies' underwear is being offered or sold for fall 1933, with results demoralizing to the industry and to the detriment of employees, retailers and manufacturers, I am giving my understanding of your lowest prices on certain merchandise, together with the exceptions.

I understand that no undertaking is made not

4. he writes to you as Penman.

THE COMMISSIONER; The General manager.

MR. MURPHY: You are the General manager of Penman

and I think that is more important. Now, Modie and

him to notify Penman, Zimmerman and Dodge as to the

prices. Then, William notifies you that these prices

have been made. Now, what were you doing the

but agreeing that you would not compete on prices on

that article, children's sleepers? A. That is

the lowest priced line, sir.

4. That may be; I am saying you would not go below

that line, that price; that is correct, isn't it?

5. Now, I want to run over some documents contained

in a file here that comes from your files. Here

a multiphase of number on the latter head of the

Canadian Woolen and Knit Goods Manufacturers

Association dated April 24, 1933 and addressed to

B.K. Gunn, Penman Limited. It reads as follows:

Dear Sir:  
Ladies Underwear  
Fall 1933

Owing to misrepresentation being made as to

prices at which ladies' underwear is being offered

or sold for Fall 1933, with results detrimental

to the industry and to the detriment of employees,

retailers and manufacturers, I am giving my under-

standing of your lowest prices on certain merchandise

as follows:

I am advised that the following is the

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"to decrease or increase these prices as raw materials  
and labour costs vary, or to produce lower lines  
than indicated, but that you do undertake to notify  
me in writing of any changes you are making fifteen  
5 days before announcing any such changes, so that my  
information will always be correct and up to date as  
regards your mill.

Item A.

Cotton vests, - ladies, Standard, medium, large

10 Medium - weight 8 cut  $2\frac{1}{2}$  lbs.; 10 cut  $2\frac{1}{2}$  lbs.

Cream shade - with plain tubular trim.

Cotton tape for 8 cut; on 10 cut tape optional

Boxing optional.

	All sizes or	Standard	Medium	Large
15 No sleeve	\$2.25	\$2.00	\$2.25	\$2.50

Short "	2.90	2.65	2.90	3.15
---------	------	------	------	------

Long " 50¢ over short sleeve.

Rayon silk stripe 40¢ extra.

Exceptions

20 <u>Lennard</u>	2 lbs., no sleeve	for all sizes	\$2.10
		short sleeve	\$2.50

Item B.

Cotton bloomers - ladies. Standard, medium, large.

Medium weight 8 cut  $3\frac{1}{2}$  lbs; 10 cut 3 lbs.

25 Cloth as vests under A.

Boxing optional.

	All sizes	or Standard	Medium	Large
	\$2.60	\$2.35	\$2.60	\$2.95

Rayon silk stripe 40¢ extra."

30 And they go on and there is an item "C", prices all set  
out under item B in detail, and that is signed by Douglas

Yours truly,  
Wm. L. Garrison

• 1st met I

Medium - weight 8 cut 1/2 10000 ; 1/2 cut 10 10000

Green shade - with plain tubular trim.

Get on line for 6 out; on 10 out take optional

• I am not a person

\* 500000 10000 1000 100 10 1

• 971x9 404 001214 1118 000127

0750145 90 xvi

even is on 3. ref 3

Medium weight 8 out 24 lbs; 10 out 3 lbs.

• Isaac Ito xix 204

all sizes to standard 1000

for the security, "C" get it as it exists as no one will find it.



Hallam.

THE COMMISSIONER: That is something new, is it?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It is a letter from Hallam to whom?

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MR. McRUER: It is a circular letter Hallam to Gunn.

THE COMMISSIONER: To whom?

MR. McRUER: To Mr. Gunn of Penmans Limited.

THE COMMISSIONER: What is the date of it?

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MR. McRUER: April 24, 1933.

THE COMMISSIONER: It will be number 709.

EXHIBIT NO. 709: Circular letter dated April 24, 1933 from Hallam to Gunn of Penmans Limited.

THE WITNESS: Is this attached, sir?

15

MR. McRUER: There are some attachments there. Yes,

this is dated the same date. There is attached to

that, my lord, some notes on plum random line for

information only in children's vests and prices are

set out, Zimmerknit, some prices on children's

20

combinations and some sizes of children's sleepers.

Well now, Mr. Lundy, tell us what that is all about?

A. This is a declaration similar in form to the one you previously referred to, the full fashioned.

25

Q. The same idea was underlying this in respect to the articles dealt with as the full fashioned

agreements? A. Practically, sir, yes, an interchange of prices.

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Q. An interchange of prices and an understanding that the respective mills would not sell at lower

prices? A. I notice this reads "I under-

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1907

Helem.

THE COMMISSIONER: That is something new, is it?

MR. MOULTON: Yes, my lord.

THE COMMISSIONER: It is a letter from Helem to me.

MR. MOULTON: It is a circular letter from Helem to Gunn.

THE COMMISSIONER: Is it?

MR. MOULTON: To Mr. Gunn of Bennett Limited.

THE COMMISSIONER: What is the date of it?

MR. MOULTON: April 24, 1907.

THE COMMISSIONER: It will be number 709.

Circular letter dated April 1907 from Helem to Gunn of Bennett Limited.

THE WITNESS: Is this attached, sir?

MR. MOULTON: There are some attachments there. Yes.

This is dated the same date. There is attached to

the 1st, my lord, some notes on gun tandem line for information only in children's vests and prices are

set out, Zimmerman's, some prices on children's

combinations and some sizes of children's sleepers.

Will you, my lord, tell me what you find in all these?

A. This is a declaration similar in form to the one

you previously referred to, the full testimony.

Q. The same idea was underlying this in respect

to the articles dealt with as the full testimony

interchange of prices.

Q. An interchange of prices and an understanding

that the respective mills would not sell at lower

prices?



stand that no undertaking is made not to decrease or increase these prices as raw materials and labour costs vary"--

5 Q. Without giving 15 days notice? A. "Or to produce lower lines than indicated"--

Q. Without giving 15 days notice? A. Yes.

Q. So that the understanding was that the mills would maintain these as the minimum prices unless they gave 15 days notice to Mr. Hallam?

10 A. Exactly; may I draw your attention to the prices --

BY THE COMMISSIONER: Q. 15 days notice can only be given if raw material and labour had been changed; isn't that what it says? A. No, I think

15 the undertaking is not to decrease or increase the prices.

BY MR. MORUER: Q. It reads as follows: "I understand that no undertaking is made not to decrease or increase these prices as raw materials and labour costs vary, or to produce lower lines "-- that is, they would not go into any line lower than those indicated -- "but that you do undertake to notify me in writing of any changes you are making fifteen days before announcing any such changes, so that my information will always be correct and up to date as regards your mill". A. That is the extent of

our undertaking, sir.

Q. Yes, but your understanding was that each mill would maintain the same prices -- the same minimum prices in regard to the same article unless they gave

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June 7.

stand that no undertaking is made not to decrease or  
increase these prices as raw materials and labour  
costs vary."

Q. Without giving 15 days notice?  
A. "Or  
to produce lower lines than indicated"--  
Q. Without giving 15 days notice?  
A. Yes.  
Q. So that the understanding was that the mills  
would maintain these as the minimum prices unless  
they gave 15 days notice to Mr. Williams?

A. Exactly; may I draw your attention to the phrase  
"BY THE COMMISSIONER: 15 days notice can only  
be given if raw material and labour had been changed  
then't that what it says?"

A. No, I think  
the undertaking is not to decrease or increase the  
prices.

BY MR. WILLIAMS: It reads as follows: "I under-  
stand that no undertaking is made not to decrease or  
increase these prices as raw materials and labour  
costs vary, or to produce lower lines" -- that is,  
they would not go into any line lower than those  
indicated -- "but that you do undertake to notify  
in writing of any changes you are making fifteen days  
before announcing any such changes, so that my in-  
formation will always be correct and up to date as  
regards your mill".

Q. That is the extent  
of the undertaking?  
A. Yes, that is the extent of the undertaking.  
Q. And you are not undertaking to give notice of  
any changes in the price of the mill's products  
fifteen days before announcing any such changes?



15 days notice?

A. Precisely; may I draw

your attention to the prices? ~~xx~~

Q. Yes?

A. I notice on ladies' goods, vests, the prices ranged from \$2.25 to \$3.15 --

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BY MR. KULLOCK: Q. Per dozen?

A. Yes. They are always quoting prices per dozen in this. Cotton bloomers \$2.60 to \$2.95. Children's goods range from \$1.00 a dozen up to \$2.75. Those are all the very cheapest lines of merchandise.

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BY MR. McRUER: Q. The kind of merchandise poor

people buy, that is it, isn't it?

A. Well, I guess well to do people buy them too as well as poor people.

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Q. You see these lines of merchandise that you are entering into this agreement -- which I think is an agreement putting a restriction on competition -- are lines of merchandise that affect the poor people of the country and especially affect them?

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A. As a matter of fact, these lines are not very popular now.

Q. Well, they may not be popular because the poor people cannot buy them at the prices you put on them?

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A. No, they have changed to other materials.

Q. Well, I show you another letter from Mr.

Hallam to Mr. Gunn of Penmans, Limited, dated May 4th, 1933 --

THE COMMISSIONER: Is this a new one?

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MR. McRUER: Yes, my lord.

THE COMMISSIONER: Exhibit 710.

1907.

1906

15 days notice?

A. Precisely; may I draw

Your attention to the prices?

The prices ranged from \$2.25 to \$2.18 --

BY MR. BUCK: A. For domestic

are always quoting prices per dozen in this.

Domestic \$2.50 to \$2.95. Children's goods range

from \$1.00 a dozen up to \$2.75. There are all the

very cheap lines of merchandise.

THE MR. BUCK: -- THE PRICE OF MERCHANDISE

people buy, that is it, isn't it?

A. Well, I

guess well to do people buy them too as well as poor

people.

A. You use these lines of merchandise that you are

entering into this agreement -- which I think is an

agreement putting a restriction on competition --

are lines of merchandise that affect the poor people

of the country and especially affect them?

A. As a matter of fact, these lines are not very

popular now.

A. Well, they may not be popular because the poor

people cannot buy them at the prices you put on the

A. No, they have changed to other merchandise.

A. Well, I show you another letter from Mr.

William C. Mr. Grant of Belmont, Limited, dated May

1906, 1907 --

THE COMMISSIONER: Is this a new one?

MR. BUCK: Yes, my lord.

THE COMMISSIONER: --

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EXHIBIT NO. 710:

Letter dated May 4, 1933  
from Hallam to Gunn of Penmans

THE COMMISSIONER: What is it, a letter from Mr. Hallam

MR. McRUER: To Mr. Gunn.

THE COMMISSIONER: That is to Penmans again?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: What is the date?

MR. McRUER: May 4, 1933.

"Enclosed is the amended copy of our letter of  
April 24th, 1933, on Ladies Underwear, Fall 1933,  
and our amended copy of Notes on Plum Random Line.  
Please note these carefully, as there have been a  
considerable number of changes."

This appears to have been a readjustment of prices  
of the items in respect to the last exhibit.

THE COMMISSIONER: Well, this refers to his letter of  
April 24th.

MR. McRUER: Yes, that is the last exhibit.

THE COMMISSIONER: Yes, but I was not sure you said  
the 24th.

MR. McRUER: Yes. A. This is only market  
information, sir.

Q. Yes, that plum random, these notes on the back,  
but I think the reference to the circular letter appear  
to be this -- A. May I see the original?

Q. Yes, let Mr. Lundy have the other one? A. T  
appear to be substantially the same.

Q. Only a letter making certain corrections in the  
items on the other? A. There may be some slight  
variations, sir.

EXHIBIT NO. 710:

Letter dated May 4, 1933

from Berlin to Quinn of Penn

THE COMMISSIONER: What is it, a letter from Mr. H.

MR. MORRIS: Yes, Mr. H.

THE COMMISSIONER: That is to forward again?

MR. MORRIS: Yes, Mr. H.

THE COMMISSIONER: What is the date?

MR. MORRIS: May 4, 1933.

"Enclosed is the amended copy of our letter of

April 24th, 1933, on Ladies Underwear, Fall 1933,

and our amended copy of notes on Plum Random Line.

Please note these carefully, as there have been a

considerable number of changes."

This appears to have been a readjustment of prices

of the items in respect to the last exhibit.

THE COMMISSIONER: Well, this refers to his letter

April 24th.

MR. MORRIS: Yes, that is the last exhibit.

THE COMMISSIONER: Yes, but I was not sure you said

the 24th.

MR. MORRIS: Yes. A. This is only marked

information, sir.

MR. MORRIS: Yes, that is the last exhibit.

but I think the reference to the circular letter ap

to be this -- A. May I see the original?

A. Yes, let Mr. Tandy have the other one?

appear to be substantially the same.

MR. MORRIS: Yes, that is the last exhibit.

items on the other?

A. There may be some minor variations, sir.



Q. I show you a letter from Hallam marked "attention Mr. Lundy" dated June 19th, 1933.

THE COMMISSIONER: This will be 711.

EXHIBIT NO. 711: Letter dated June 19, 1933 to Lundy from Hallam.

MR. McRUR: "Dear Sir: Ladies Underwear Section

Attached is the proposed list of Spring 1934

cotton lines for the Ladies Underwear Section.

Note: The prices on this list are only given as

a guide or basis to work on.

A meeting will be called about August 1st at which

the mills are to bring samples and at which the

prices will be discussed."

Now, Mr. Lundy, apparently this is sent out as a forerunner of a bulletin that would be arrived at as to the prices on which they were to agree?

A. They are suggestions.

Q. Well, these are suggestions to begin with and then a meeting is to be called. Did you attend the

meeting later that the mills attended for the purpose

of discussing prices? A. I cannot remember

now, sir, that is three years ago.

Q. You cannot possibly remember whether you ever attended any such meetings? A. Oh, I may have

attended meetings, but I don't know about this particular one, sir.

Q. Well, did you attend meetings at which prices were discussed and which were agreed upon and a bulletin sent out? A. I have attended various meetings, sir.

Q. I show you a letter from William dated "after-  
noon Mr. Lundy" dated June 19th, 1938.

THE COMMISSIONER: This will be VII.

EXHIBIT NO. VII: Letter dated June 19, 1938 to  
Lundy from William.

MR. MORRIS: "Dear Sir: Ladies Underwear Section

Attached is the proposed list of Spring 1934  
cotton lines for the Ladies Underwear Section.  
Note: The prices on this list are only given as

a guide or basis to work on.

A meeting will be called about August 1st at which  
the mills are to bring samples and at which the  
prices will be discussed."

Now, Mr. Lundy, apparently this is sent out as a  
forerunner of a bulletin that would be arrived at as  
to the prices on which they were to agree?

A. They are suggestions.

Q. Well, these are suggestions to begin with and  
then a meeting is to be called. Did you attend the  
meeting later that the mills attended for the purpose  
of discussing prices? A. I cannot remember.

Now, sir, that is three years ago.

Q. You cannot possibly remember whether you ever  
attended any such meetings? A. Oh, I may have

attended meetings, but I don't know about this particular  
one, sir.

Q. Well, did you attend meetings at which prices

were discussed and which you attend from time to time?  
A. I have attended various meetings.

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Q. Now again, would you mind answering my question. Did you attend meetings at which prices were discussed and agreed upon? A. Certainly prices were discussed, sir.

5 Q. And agreed upon? A. With the limitation that is contained in this correspondence.

Q. Well, we will just be precise on that; with the limitation that is contained -- A. 15 days notice.

10 Q. Yes, in the previous correspondence; you are referring to the notice to be given to Mr. Hallam? A. Precisely.

15 Q. And apparently that is how these bulletins were arrived at such as we have looked at in exhibit 710 and 709. A meeting would be called at which the representatives of the mills would attend; you would agree on the prices that were to go in the bulletin and the bulletin would be sent out afterwards?

20 A. That would be the effect, with the limitation I spoke of. I wish to point out, however, that there are very few names mentioned there in this previous correspondence.

Q. Well-- A. There are quite as many other manufacturers.

25 Q. You mean there were certain manufacturers who were not attending at these meetings, and who were not agreeing to these prices? A. They were not even consulted, I don't think.

30 Q. They were not even consulted about it, yes; but, you must admit that Moodies, Penmans and Zimmerknit represent a very large amount of the knitting trade?

Q. Now again, would you mind answering my question.  
Did you attend meetings at which prices were discussed  
and agreed upon? A. Certainly prices were  
discussed, sir.

Q. And agreed upon? A. With the limitation  
that is contained in this correspondence.  
Q. Well, we will just be precise on that; with the  
limitation that is contained -- A. 15 days notice.

Q. Yes, in the previous correspondence; you are  
referring to the notice to be given to Mr. Williams?  
A. Precisely.

Q. And apparently that is how those bulletins were  
arrived at such as we have looked at in exhibit 719  
and 720. A meeting would be called at which the  
representatives of the mills would attend; you would  
agree on the prices that were to be in the bulletin  
and the bulletin would be sent out afterwards?

Q. That would be the ideal, with 15 days notice, is it not?  
A. I wish to point out, however, that there are very  
few names mentioned there in this previous correspondence.  
Q. Well -- A. There are quite as many of  
as mentioned.

Q. The names that were mentioned in the bulletins were  
not attending at those meetings, and who were not  
agreeing to these prices? A. They were not even  
mentioned, I don't think.

Q. What was the purpose of the bulletins then, if they were  
not mentioned in the bulletins, and who were not  
agreeing to these prices?



A. We make standard lines, sir, carrying trade marks.

Q. Would it be possible ever to answer the question?

A. I am sorry, sir.

Q. I was not asking about standard lines or trade marks or anything else; I said you must admit that Moodies, Zimmerknit and Permans form a very large proportion of the knitting trade in Canada?

A. We are important manufacturers. That is what I intended to convey by my first answer.

Q. That you manufacture standard lines?

A. Standard trade marked lines.

Q. Well, it doesn't answer the question at all.

A. I am sorry, sir; I intended it to.

Q. Well, we will have ultimately a summary, probably, of the extent to which these cover the trade, these mills. Now, I show you a copy of a letter dated August 8, 1933 from Penmans to Douglas Hallam.

A. May I read it, sir?

Q. Yes.

THE COMMISSIONER: It will be 712.

EXHIBIT NO. 712: Letter dated 8th August, 1933,  
from Penmans to Douglas Hallam.

MR. McRUEL: This reads in its introductory paragraph very much like the hosiery agreement.

"Dear Sir: Owing to misrepresentations which have been made as to prices and terms on which our underwear for Spring is being quoted and sold, we are giving you the lowest prices on which we are quoting or selling to anybody under any circumstances

A. We make standard lines, sir, carrying trade marks.

Q. Would it be possible ever to answer the question?

A. I am sorry, sir.

Q. I was not asking about standard lines or trade

marks or anything else; I said you must admit that

you are not making standard lines.

Q. Operation of the knitting trade in Canada?

A. We are important manufacturers. That is what I

intended to convey by my first answer.

Q. That you manufacture standard lines?

A. Standard trade marked lines.

Q. Well, it doesn't answer the question at all.

A. I am sorry, sir; I intended it to.

Q. Well, we will have ultimately a summary, probably

of the extent to which these cover the trade, these

lines. Now, I show you a copy of a letter dated

August 8, 1903 from Bennett to Douglas Hellen.

A. May I read it, sir?

Q. Yes.

THE COMMISSIONER: It will be VHS.

THE COMMISSIONER: It will be VHS.

From Bennett to Douglas Hellen.

MR. McLEOD: This reads in its introductory paragraph

very much like the hooley agreement.

"Dear Sir: Owing to misrepresentations which have

been made as to prices and terms on which our

underwear for spring is being quoted and sold, we

are giving you the lowest prices on which we are

quoting or willing to supply under any circumstances.

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"We have no objection to your disclosing these prices to other underwear manufacturers. We give no undertaking not to decrease or increase these prices as raw materials and labor costs vary, but do undertake to notify you in writing if we propose to make changes seven days before announcing any such changes, so that your information will always be correct and up-to-date regarding our mill.

All prices given are f.o.b. mill, usual wholesale terms. There is no use of rebates, bonuses, credit notes, etc., which would in effect reduce these prices." Then, the prices are set out in detail, and then --

"I am writing you on behalf of my firm and you may look to me to see that our undertaking is carried out."

Now, the idea was that each one of these mills should sign a similar undertaking to this? A. That is exactly the same idea as what we had in, I think, three documents back.

Q. In the hosiery agreement? A. No, no, in the underwear agreement, except there is a variation.

Q. What is the variation? A. From 15 days to 7 days.

Q. Oh yes, I see; does this cover a different line of articles then? A. Practically the same thing.

Q. As 709 and 710; it is practically the same?

A. It relates to a different season, I think.

"We have no objection to your discussing these  
prices to other underground manufacturers. We give  
no undertaking not to decrease or increase these  
prices as raw materials and labor costs vary, but  
do undertake to notify you in writing if we propose  
to make changes seven days before announcing any  
such changes, so that your information will always  
be correct and up-to-date regarding our mill.  
All prices given are f.o.b. mill, usual whole-  
sale terms. There is no use of rebates, bonuses,  
credit notes, etc., which would in effect reduce  
these prices." Then, the prices are set out in  
detail, and then --  
"I am writing you on behalf of my firm and you may  
look to me to see that our undertaking is carried  
out."  
Now, the idea was that each one of these mills should  
sign a similar undertaking to this?  
A. That is  
exactly the same idea as what we had in mind, I think.  
three documents back.  
Q. In the history agreement?  
A. No, no, in  
the Webster agreement, except there is a variation.  
Q. What is the variation?  
A. From 15  
days to 7 days.  
Q. Oh yes, I see; does this cover a different firm  
of articles then?  
A. Practically the same  
thing.  
Q. As 700 and 710; it is practically the same?  
A. It relates to a different season, I think.

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THE COMMISSIONER: It says spring.

BY MR. McRUER: Q. Yes, this is August; that will be for the following spring? A. What date is it?

Q. August 8, 1933? A. That will be for spring of 1934. The goods for spring are a little lighter than those for fall, and the different weights of material.

Q. That is exhibit --

THE COMMISSIONER: 712.

BY MR. McRUER: Q. Well, I show you a letter from Hallam to you. It is on thin paper so it looks as though it may have gone out to others. It is dated January 29, 1934.

THE COMMISSIONER: 713.

EXHIBIT NO. 713: Letter from Hallam to Lundy dated January 29, 1934.

THE WITNESS: Yes.

MR. McRUER: "The Chairman of the underwear section has sent me the following letter: 'Re Fall 1934 ladies' and children's plum colored lines'"-- now, apparently there was a chairman of the underwear section; who would he be? A. May I see that?

Q. Of the Canadian Woollen and Knit Goods Association? A. Mr. Moodie was.

BY THE COMMISSIONER: Q. Mr. Moodie is of Penmans Limited? A. No, sir.

Q. What is he -- oh, it is his own firm.

BY MR. McRUER: Q. They are in Hamilton, are they not?

A. Yes, sir.

1983  
1984

THE COMMISSIONER: It says spring.

BY MR. MORRIS: Yes, this is August; that will

be for the following spring. .. What date is it

spring of 1984. The books for spring are a little

lighter than those for fall, and the different weights

of material.

Q. That is exhibit --

THE COMMISSIONER: Yes.

BY MR. MORRIS: Yes, I have been looking at

Woolen to you. It is on this paper as it looks as

though it may have gone out to others. It is based

January 29, 1984.

THE COMMISSIONER: Yes.

EXHIBIT NO. 115: Letter from William to King  
dated January 29, 1984.

THE COMMISSIONER: Yes.

BY MR. MORRIS: "The Chairman of the Management Committee

has sent me the following letter: 'Re Fall 1984

... and ...'

Apparently there was a chairman of the Management Committee

who would be that. A. May I see that?

Q. Of the Canadian Woolen and Felt Goods Association

...

BY THE COMMISSIONER: Mr. Woodie is of Toronto

limited? A. No, sir.

Q. What is he -- oh, it is his own firm.

BY MR. MORRIS: They are in Hamilton, and they

A. Yes, sir.



Q. "Please note that the writer has been advised by one of our members that the situation on plum lines is very unsettled and this member thinks that on account of various weights of cloth, that for this season at least, the list that was prepared should be withdrawn entirely as there are a number of indefinite features about it. The writer is inclined to agree with him and another season, all being well, a special list should be prepared giving definite weights and finishes in connection with the plum lines. This change has nothing to do with the list that was prepared on the regular lines, but withdraws the extra charge that was listed for plum lines. The writer thinks it would be advisable for you to send out at once, a letter to the various members giving this information to them."

Now, what were the plum lines that are referred to here? A. Well, they are a type of women's underwear, women's and children's underwear, and that is the colour, sir.

Q. So it was this special type that the price arrangement had not been very satisfactory on?

A. Apparently no arrangement was affected, if you put it that way. It says that the thing should be dropped.

Q. It says it is withdrawn until they had got specifications made out about weights and so on?

A. This relates to fall, 1934 and is dated January 29, 1934 so that obviously plum lines did not enter into the

Q. Please note that the writer has been advised  
of one of our members that the following lines  
lines is very unrefined and this member thinks  
that on account of various weights of cloth, first  
for this season at least, the list that was pre-  
pared should be withdrawn entirely as there are  
a number of indefinite features about it. The  
writer is inclined to agree with him and another  
season, all being well, a second list should be  
prepared giving definite weights and finished  
in connection with the plan lines. This change  
has nothing to do with the list that was prepared  
on the regular lines, but withdraw the extra  
lines that were listed for some time. The writer  
thinks it would be advisable for you to send out  
at once, a letter to the various members giving  
this information to them."

Now, what were the plan lines that are referred to  
here? A. Well, they are a type of women's  
underwear, women's and children's underwear, and  
that is the colour, etc.

Q. So it was this special type that the price  
arrangement had not been very satisfactory and  
A. Apparently no arrangement was effected, if you put  
it that way. It says that the thing should be dropped.  
Q. It says it is withdrawn until they had got  
A. This relates to fall, 1934 and is dated January 23,  
1934 so that obviously plan lines did not enter into it.

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picture as regarding fall 1935.

Q. Well, are arrangements similar to these still on the go? A. Yes, sir..

Q. Somehow or other we didn't find these things in Mr. Hallam's files. I show you a telegram from Mr. Hallam to you dated April 25, 1934 which reads as follows --

THE COMMISSIONER: It is what, a telegram?

MR. McRUER: Yes; attach this, my lord, if you will, too. There are two telegrams, one from Hallam to Mr. Lundy dated April 25, 1934 and another of the same date.

THE COMMISSIONER: From whom?

MR. McRUER: Hallam to Lundy.

THE COMMISSIONER: One exhibit, is that what you wish?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: Exhibit 714.

EXHIBIT NO. 714: Two telegrams dated April 25, 1934 from Hallam to Lundy.

MR. McRUER: It reads as follows:

"Report Penmans offering branded six thread brant-ford five forty tax included any fact", and the other telegram reads:

"Burns says no truth in five dollar story have however made one offer below five thirty five."

Now, could you just tell us what that is all about, Mr. Lundy?

A. Well, this is a check-up by Hallam on these price declarations that were discussed before.

Q. Just explain it in full, if you recollect it?

9734 Jundy

picture as regarding fall 1935.

Well, are arrangements similar to those still

on the go? A. Yes, sir.

Somehow or other we didn't find these things

in Mr. Helman's files. I show you a telegram from

Mr. Helman to you dated April 25, 1934 which reads as

follows --

THE COMMISSIONER: It is what, a telegram?

MR. McHUGH: Yes; attach this, my lord, if you will

too. There are two telegrams, one from Helman to

Mr. Jundy dated April 25, 1934 and another of the same

date.

THE COMMISSIONER: From whom?

MR. McHUGH: From Helman to Jundy.

THE COMMISSIONER: One exhibit, is that what you want?

MR. McHUGH: Yes, my lord.

THE COMMISSIONER: Exhibit 714.

COMMISSIONER: THE TELEGRAM DATED APRIL 25, 1934 FROM HELMAN TO JUNDY.

MR. McHUGH: It reads as follows:

"Jundy, please attach to the exhibit the telegram from

Mr. Helman to you dated April 25, 1934, and the

other telegram reads:

"Burns says no truth in five dollar story have

anyway and we will believe the thirty five."

Now, could you just tell us what that is all about,

is that right, my lord?

THE COMMISSIONER: Yes, my lord.



A. I don't recollect it, sir, but I infer from the reading of the thing what happened was this. Somebody reported that we were selling branded six thread silk hose at 5.40 tax included.

5 Q. That would be a price lower than --

A. We have never had such a price.

Q. What do you mean you never had such prices?

A. We have never quoted such a price as that.

10 Q. It would be a price lower than the price set out in the declaration? A. Yes, sir.

Q. And Hallam had had that report and he was checking up to find out if it was right? A. Yes, we would be certainly not carrying out our obligation to Hallam if we sold at 5.40 tax included. We  
15 certainly didn't.

Q. Is that article name in the previous correspondence that we have had? A. I think it was sir; it is one of the main lines of silk hosiery.

20 Q. Oh, it is a hosiery line? A. Yes, sir.

Q. I see, alright; Mr. Burns, of course, is Burns of the Monarch Knitting Company, no doubt? A. Yes. Apparently we received some report that he was selling-- it doesn't say here what kind of hose it was, or what  
25 kind of goods it was. I presume it was silk hose unbranded.

Q. Alright? A. We made an inquiry and Hallam checked up, that is all.

30 Q. Then, I show you a letter dated August 20, 1930 from Hallam to you. This will be a new exhibit, my lord

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... of the thing what happened was this. Somebody  
... at 8.40 tax included.

Q. That would be a price lower than --  
A. We have never had such a price.

Q. What do you mean you never had such prices?  
A. We have never quoted such a price as that.

Q. It would be a price lower than the price set  
out in the declaration?  
A. Yes, sir.

Q. And William had had that report and he was check-  
ing up to find out if it was right? A. Yes, we  
would be certainly not carrying out our obligation  
to William if we sold at 8.40 tax included. We

certainly didn't.

Q. Is that article same in the previous correspondence?  
A. I think it was sir; in

is one of the main lines of silk hosiery.

Q. Oh, it is a hosiery line?  
A. Yes, sir.

Q. I see, alright; Mr. Burns, of course, is former  
of the Monarch Hosiery Company, no doubt? A. Yes.

Apparently we received some report that he was selling  
it doesn't say here what kind of hose it was, or what  
kind of goods it was. I presume it was silk hose  
unbranded.

Q. Alright?  
A. We made an inquiry and he said  
checked up, that is all.

Q. Then, I show you a letter dated August 20, 1934



Lundy,

THE COMMISSIONER: It is a letter from Hallam to --

MR. McRUER: Hallam to Lundy, August 20, 1934.

THE COMMISSIONER: 715.

EXHIBIT NO. 715: Letter dated August 20, 1934  
from Hallam to Lundy.

5 MR. McRUER: "The attached memorandum was approved  
at the meeting of the Ladies' and Children's Under-  
wear Section on August 16th.

10 The situation with respect to more uniform  
wholesale lists and credit terms was thoroughly  
discussed.

A special meeting on this subject will be held  
on Tuesday, September 11th, 1934, at 2 p.m. D.S.T.  
at this office.

15 For this meeting it will be necessary for each  
member to know the volume of underwear business  
done with each of the customers on the lists  
already sent in.

20 Will you please be prepared with this data on  
underwear for the last year.

Kindly advise us that your firm will be rep-  
resented at the meeting on September 11th."

MR. KELLOCK: What is the date of that letter?

MR. McRUER: August 20, 1934.

25 MR. KELLOCK: You said 1930.

MR. McRUER: I beg your pardon, 1934.

THE COMMISSIONER: August 20th?

30 MR. McRIE: 1934. Apparently you had been supply-  
ing Mr. Hallam with a list of your customers and the  
volume of business done with the customers? A. I

WYOS

lundy,

THE COMMISSIONER:

EXHIBIT NO. 715:

Letter dated August 20, 1934  
from Halifax to lundy.

Mr. MORRIS: "The attached memorandum was approved

at the meeting of the ladies' and children's Under

wear section on August 16th.

The situation with respect to more uniform

wholesale lists and credit terms was thoroughly

discussed.

A special meeting on this subject will be held

on Tuesday, September 11th, 1934, at 2 p.m. D.S.T.

at this office.

For this meeting it will be necessary for each

member to know the volume of underwear business

done with each of the customers on the list

already sent in.

underwear for the next year.

Kindly advise us that your time will be re-

presented at the meeting on September 11th."

MR. WELDON: What is the date of that letter?

MR. MORRIS: August 20, 1934.

MR. MORRIS: I beg your pardon, 1934.

THE COMMISSIONER: August 20th?

MR. MORRIS: 1934. Apparently you had been supplied



don't recollect that we ever did that, sir.

Q. You see what the letter says? A. Yes.

Q. "For this meeting it will be necessary for each member to know the volume of underwear business done with each of the customers on the lists already sent in". Now, you apparently sent in a list of customers and now he wanted the volume of business done with them?

A. My recollection, sir, would be that we never disclosed the volume of business we did with the customers.

Q. What did you send in a list of your customers to Hallam for? Can you people not run your own business without giving so much information to Hallam? Why did you send a list of customers to Hallam?

A. Well, that is in relation to the previous declaration, sir.

Q. What has that got to do with it? Why would you send a list of customers to Hallam in relation to the previous declaration? A. Well, the prices applied to certain firms, I think it is headed wholesale prices.

Q. I don't understand what your object was in sending a list of customers to Hallam? A. Well, simply an exchange of price information, the same as the other was, sir.

Q. But the price information has nothing to do with the list of customers? A. Well, it seems to me it has, sir.

Q. Well, what has it got to do with it?

A. Well, who we would be quoting these prices to.

Q. I recollect that we were at that time.

A. Yes. You see what the letter says?

Q. For this meeting it will be necessary for each member to know the volume of underwear business done with each of the customers on the lists already sent. Now, you apparently sent in a list of customers and he wanted the volume of business done with them?

A. My recollection, sir, would be that we never discussed the volume of business we did with the customers. What did you send in a list of your customers?

Q. To Hellem? Can you people not run your own business without giving so much information to Hellem? Why did you send a list of customers to Hellem?

A. Well, that is in relation to the previous declaration, sir.

Q. What has that got to do with it? Why would you send a list of customers to Hellem in relation to the previous declaration?

A. Well, the prices applied to certain times, I think it is headed whole sale prices.

Q. I don't understand what your object was in sending a list of customers to Hellem?

A. Well, simply an exchange of price information, the same as the other way, sir.

Q. But the price information has nothing to do with the list of customers?

A. Well, it seems to me, sir.

Q. Well, what has it got to do with it? Well, who would be quoting these prices to?



THE COMMISSIONER: It is to show that here are our prices and here are our customers.

BY MR. McRUER: Q. So Hallam could check up with the customers and see you were not under-selling?

5 A. No, he had nothing to do with our customers.

BY THE COMMISSIONER: Q. There are different prices to different customers; is that it?

A. No.

BY MR. McRUER: Q. Your price was the same to all customers? A. Invariably.

Q. I cannot see what you were supplying him with the list of customers for. You must have known yourself when you did it why you were doing it?

15 A. Well, it quotes wholesale prices.

Q. I know, but a wholesale price is a wholesale price and what difference does it make who you sell it to? A. We have to sell it to a wholesaler, wouldn't we?

20 Q. You sold at the mill at these prices and it would not make any difference. You would not sell to any other body at any other price, would you? A. No.

25 Q. Well, I show you another letter dated the 15th of December, 1934.

THE COMMISSIONER: A letter from whom?

MR. McRUER: From Hallam to Mr. Lundy.

THE COMMISSIONER: Exhibit 716.

30 EXHIBIT NO. 716: Letter from Hallam to Lundy dated December 15, 1934.

THE COMMISSIONER: It is to show that there are out  
prices and here are our customers.  
BY MR. McRUE: So Hallem could check up with  
the customers and see you were not under-selling  
A. No, he had nothing to do with our customers.  
BY THE COMMISSIONER: There are different  
prices to different customers; is that it?  
BY MR. McRUE: Your price was the same to all  
I cannot see what you were supplying him with  
the list of customers for. You must have known  
yourself when you did it why you were doing it?  
A. Well, it quotes wholesale prices.  
I know, but a wholesale price is a wholesale  
price and what difference does it make who you sell  
it to? A. We have to sell it to a whole  
You sold at the mill at these prices and it  
would not make any difference. You would not sell  
to any other body at any other price, would you?  
A. No.  
A. Well, I show you another letter dated the 1st  
of December, 1934.  
THE COMMISSIONER: A letter from whom?  
MR. McRUE: From Hallem to Mr. Brady.  
EXHIBIT NO. VII: Letter from Hallem to Brady  
dated December 1st, 1934.

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MR. McRUER: It reads as follows:

"Please note the following points with regard to the Ladies Underwear memo. for Fall 1935 of December 10th", and it gives the weights and prices of these articles and then paragraph three --

"Kindly make correction for style C on the list which is a silk stripe no sleeve vest. The price shown for the group of 30 to 34 is mentioned as \$2.15. The correct price should be \$2.05."

Now then, we come back to the plum line --  
A. This is not the same plum line we were speaking of before.

Q. It is another plum line, is it? A. Yes.

THE COMMISSIONER: Is this another document?

MR. McRUER: Yes, this is a letter from Hallam to Lundy dated December 21, 1934.

THE COMMISSIONER: Exhibit 717.

EXHIBIT NO. 717: Letter dated December 21, 1934 from Hallam to Lundy.

MR. McRUER: It reads as follows:

"Complete weights of flat knit plum line bloomer are: Small  $2\frac{1}{2}$ ; Medium  $3\frac{1}{2}$  Large  $3\frac{3}{4}$ ."

Why was it necessary to notify the mills of the weights of these lines?

A. Well, these are the weights that are considered to be about the minimum weights to produce satisfactory garments.

Q. Yes; well, that would be for the mills to decide what weight the garment should be. Was it not this,

Mr. Lundy, that you had arrived at a price which was set out in this undertaking and that was the price for

9759  
Tandy

MR. McRUR: It reads as follows:

"Please note the following points with regard to the Ladies Underwear memo. for Feb 1 1935 of Decem- per 1000", and it gives the weights and prices of

these articles and then paragraph three --

"Kindly make correction for style C on the list which is a silk stripe no sleeve vest. The price shown for the group of 30 to 34 is mentioned as \$2.15. The correct price should be \$2.05."

Now then, we come back to the plain line --

1. This is not the same plain line as were speaking of before.

Q. It is another plain line, is it?

A. Yes.

THE COMMISSIONER: Is this another document?

MR. McRUR: Yes, this is a letter from William to Tandy dated December 21, 1934.

THE COMMISSIONER: Exhibit 717.

EXHIBIT NO. 717: Letter dated December 21, 1934 from William to Tandy.

MR. McRUR: It reads as follows:

"Complete weights of that knit plain line Bloomer

Why was it necessary to notify the mills of the

weights of these lines? A. Well, these are

weights to produce satisfactory garments.

A. Yes; well, that would be for the mills to decide

what weight the garment should be. Was it not this,

Mr. Tandy, that you had arrived at a price which was

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these weights and that you did not want the other  
a  
mills putting in/heavier garments for the same price?  
A. Or a lighter one for a less price.

Q. Or a lighter one for a less price; it was to  
5 standardize the price and the weight? A. Which they  
could do on seven days notice.

Q. But without the seven days notice you did not  
want them to do that. Not only were you arranging  
there should be no competition in the price but that  
10 there should be no competition in the quality; that is  
what it came to, wasn't it? A. These are standard  
lines.

Q. Whether they are standard lines or not within  
the limits of that document it was a limitation on  
15 the price and on the quality? A. On the weight.

Q. Well, alright, a limitation in competition on the  
price and on the weight? A. Yes, sir.

Q. Then, we come to another one of December 27,  
20 1934 --

MR. KELLOCK: December what?

MR. McRUER: 27th, 1934, from Mr. Hallam to Mr.  
Lundy.

THE COMMISSIONER: Exhibit 718.

25 EXHIBIT NO. 718: Letter from Hallam to Lundy  
dated December 27th, 1934.

MR. McRUER: "Below is a revised set-up for flat  
knit plum lines for Fall 1935, which supersedes  
all previous memoranda", and it gives the weights  
30 here and the prices. A. What are the prices?

Q. The prices are "ladies vest, no sleeves, with

January 1934

these weights and that you did not want the other  
mills putting in a lighter one for a less price.

Q. Or a lighter one for a less price; it was to  
standardize the price and the weight? A. Which they  
could do on seven days notice.

Q. But without the seven days notice you did not  
want them to do that. Not only were you wanting  
there should be no competition in the price but that  
there should be no competition in the quality; that  
what it came to, wasn't it? A. There are several

Q. Whether they are standard lines or not within  
the limits of that document it was a limitation on  
the price and on the quality? A. On the weight.

Q. Well, alright, a limitation in connection on the  
weight and on the quality? A. Then, we come to another one of December 27.

Q. Then, we come to another one of December 27.  
A. Then, we come to another one of December 27.

THE COMMISSIONER: EXHIBIT 118.  
EXHIBIT NO. 118: Letter from Helmer to Tully  
dated December 27th, 1934.

Q. And it is a revised set-up for first  
knit plain lines for Fall 1935, which superseded  
all previous agreements, and it gives the weights  
here and the prices. A. What are the prices?

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silk tip and silk tape; S.M. and L. \$2.40", and the next one is \$2.65 and the next one \$2.00 --

A. Children's.

Q. And the children's, \$2.00, and "for chain stores; children's short sleeve vests and bloomers, sizes 20-26, \$1.80"? A. Yes, a different size arrangement.

Q. Then, another one dated December 29, 1934 from Hallam to Lundy.

THE COMMISSIONER: December 29th?

MR. McRUER: The 29th.

THE COMMISSIONER: Exhibit 719.

EXHIBIT NO. 719: Letter from Hallam to Lundy dated December 29, 1934.

MR. McRUER: "In view of the plum line listing of December 27th, it has been thought advisable to make the following revisions of the Memo. of December 4th" and there are certain revisions made there. Do you use machine knitting yarn? A. Yes, sir.

Q. Do you make it? A. Yes, sir.

Q. You make your own? A. Yes, sir.

Q. Do you sell it? A. No, sir.

THE COMMISSIONER: What sort of yarn are you talking about?

MR. McRUER: Machine knitting yarn.

THE COMMISSIONER: What fabric, cotton?

MR. McRUER: It is woollen yarn. A. I presume you are referring to worsted yarn; that is what you refer to.

Q. Yes, it is dealt with in one of the exhibits we have here as to prices effective on January 21, 1936.

with tip and silk tape; S.K. and L. \$1.40", and the  
next one is \$2.65 and the next one \$2.00 --

1. Children's.

C. And the children's, \$2.00, and "for grain stores;  
vests and bloomers, sizes 20-22,

1. Yes, a different size arrangement.

2. Then, another one dated December 22, 1934 from

William to Lady.

THE COMMITTEE: December 22nd?

MR. MORRIS: The 22nd.

MR. MORRIS: January 7th.

EXHIBIT NO. 118:  
Letter from William to Lady  
dated December 22, 1934.

MR. MORRIS: "in view of the plan line listing of

December 22nd, it has been thought advisable to

the following revisions of the Memo. of December 22nd

and there are certain revisions made there. Do you

have anything to say?

Q. Do you make it? A. Yes, sir.

Q. You make your own? A. Yes, sir.

Q. Do you sell it? A. No, sir.

MR. MORRIS: Now, part of your list of items

about

MR. MORRIS: Machine knitting yarn.

MR. MORRIS: Now, woolen yarn.

MR. MORRIS: It is woolen yarn. A. I presume

you are referring to worsted yarn; that is what you

refer to.

1. Yes, it is worsted yarn. It is the same as the

have been as to prices effective on January 21, 1935.



and it deals with hosiery yarns. I think it was said to be woollen.

BY THE COMMISSIONER: Q. Do you make all your own yarns? A. Oh no, we buy some yarns, sir.

5 Q. What kinds do you buy? A. Cotton yarns, rayon yarns, silk yarns, we buy the raw silk and have it thrown on commission, and we buy what is called dry spun woollen percentage yarn. Those are practically all, I think, sir, and mercerized yarn, 10 mercerized cotton yarn. This is worsted yarn, sir.

Q. That is the only kind you make? A. Oh no, we make carded yarn.

15 BY MR. McRUER: Q. I show you a copy of a letter, or an original letter from Mr. Berry to you dated April 21, 1936.

THE COMMISSIONER: Is this a new exhibit?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It is a letter from whom?

20 MR. McRUER: Mr. Berry, the assistant secretary of the Canadian Woollen and Knit Goods Association.

THE COMMISSIONER: What is the date of it?

MR. McRUER: April 21, 1936.

25 "Dear Mr. Lundy: We quote below a translation of the notice inserted by the Dominion Textile Co. Ltd. in La Tribune of Sherbrooke, following statements by the local Syndicat Catholique to the effect that the company were in favour of that organization,

30 'Statement by Dominion Textile Company Limited in respect to Labour Organizations.

1942

January

said to be woolen.

BY THE CHAIRMAN: Do you make all your own yarn?

ANSWER: Yes, we do. We have some yarn, sir.

Q. What kind of yarn do you use? A. Cotton yarn, rayon

yarn, silk yarn, we buy the raw silk and have it

thrown on our machine, and we buy what is called

very spun woolen yarn. These are the

mainly the 100% wool, and we use the

manufactured cotton yarn. This is another yarn, sir.

Q. What is the only kind you use?

ANSWER: We make several kinds.

BY THE CHAIRMAN: I show you a copy of a letter,

or an article I have from Mr. [redacted] to you dated

April 11, 1942.

THE CHAIRMAN: Is this a new article?

MR. HARRIS: Yes, sir.

THE CHAIRMAN: It is a letter from where?

MR. HARRIS: Mr. [redacted], the assistant secretary

of the Canadian Woolen and Textile Association.

THE CHAIRMAN: What is the date of it?

MR. HARRIS: April 11, 1942.

THE CHAIRMAN: Is there any other article?

MR. HARRIS: Yes, there is another article

in the [redacted] [redacted] [redacted]

statements by the local Catholic Catholics to

the effect that the company was in favour of

that [redacted] [redacted]



"The attitude of the Dominion Textile Company Limited in respect to Labour Organizations should be made plain to all concerned. Our Employees are free to join a Labour Organization if they desire to do so, and, if there is any choice in the matter, it seems more fitting that they should join an organization which is not dominated and controlled by foreign elements. It must be clearly understood, however, that membership in any labour organization, so far as our Employees are concerned, does not confer on them any rights or privileges in their relations with the Company which they do not already possess. Our Employees at all times are entitled to make representations to the Management in any cases where they consider their interests are not receiving proper consideration. The Company will not permit any third party to interfere between the Management and the Employees or to take away from the Employees their rights as individuals to deal with the Company."

THE COMMISSIONER: That is exhibit 720.

EXHIBIT NO. 720: Letter dated April 21st, 1936  
from Mr. Berry to Mr. Lundy.

BY MR. McRUER: Q. Do you know why Mr. Berry took the trouble --

THE COMMISSIONER: Lundy --

BY MR. McRUER: Q. I say do you know why Mr. Berry took the trouble to send that declaration of policy to you? A. What date is it?

Q. April 21st? A. I think I was in the Montreal

"The attitude of the Dominion Trade Commission

is to support the labour organization in its

efforts to secure better conditions for workers.

are free to join a labour organization if they desire

to do so, and if there is any choice in the matter,

it seems more fitting that they should join an

organization which is not dominated and controlled

by foreign elements. It must be clearly under-

stood, however, that membership in any labour or-

ganization, so far as our employees are concerned,

does not confer on them any rights or privileges

in their relations with the company.

Our employees at all times

are entitled to make representations to the Man-

agement in any cases where they consider their inter-

ests are not receiving proper consideration.

The Company will not permit any third party to in-

terfere between the Management and the employees

or to take away from the employees their rights

as individuals to deal with the Company."

THE COMMISSIONER: That is exhibit 780.

EXHIBIT NO. 780: Letter dated April 21st, 1925

from Mr. Barry to Mr. Barry.

BY MR. BARRY: Q. Do you know why Mr. Barry took

the trouble --

to take the trouble to send that declaration of policy

to you?

A. What date is it?

A. I think I was in the Montreal



office of the Association, which I often visit, and I don't recall, but possibly there was a copy of this La Tribune or the subject may have been mentioned.

5 Q. There might have possibly been a lot of things. I am asking for your recollection? A. I was coming to that --

10 Q. Do you remember anything about it? Do you remember seeing it about there? Don't let us get into possibilities; I want your recollection about it. A. I cannot recall how the subject came up. It may have been by looking at the paper and it may have been in the course of conversation. I expressed an interest in the matter and asked either for a  
15 copy of the paper or a translation.

Q. What is your attitude in regard to the organization of labour unions in your mill? A. Neutral.

20 Q. Neutral, that is, that they are free to organize if they wish? A. That is their business.

Q. Are they free to organize without any interference or discouragement by the management?

A. We would certainly not interfere.

25 Q. Would it be possible to answer my question, which is very simple? I say as far as the management are concerned do you regard them as free to organize without any interference or discouragement?

A. Yes.

30 Q. Are you prepared to deal with an organized union collectively in respect to labour matters affecting

office of the Association, which I often visit,  
and I don't recall, but possibly there was a copy  
of this in the hands of the subject may have been seen

Q. There might have possibly been a lot of things.  
I am asking for your recollection? A. I was  
coming to that --

Q. Do you remember anything about it? Do you  
remember seeing it about that? Don't let me get  
into possibilities; I want your recollection about it.  
A. I cannot recall how the subject came up. It may  
have been by looking at the paper and it may have  
been in the course of conversation. I expressed  
an interest in the matter and asked either for a  
copy of the paper or a translation.

Q. What is your estimate in regard to the organi-  
zation of labor unions in your mill? A. Neutral.  
Q. Neutral, that is, that there are free to organi-  
ze if they wish? A. That is their business.

Q. Are they free to organize without any interference  
once or discommodement by the management?  
A. We would certainly not interfere.  
Q. Would it be possible to answer my question,

which is very simple? I say as far as the management  
are concerned do you regard them as free to organize  
without any interference or discouragement?

Q. And you would say that with an organization which  
is not organized by the management?



your employees? A. Well, if they are organized, sir, we would have to deal with them, I should think.

Q. Well, again -- A. We have never come up to that proposition.

5 Q. Well, if they are organized are you prepared to deal with them collectively? A. Well, sir, we never came up against that proposition, and I don't know whether I am obliged to answer a theoretical question.

10 THE COMMISSIONER: Perhaps he cannot.

BY MR. McRUER: Q. Are you in a position yourself to answer that question or would that be something that would have to be dictated by the Chairman of the board or some superior? A. Not at all, sir.

15 Q. You are the man, then, that would determine it? A. Yes.

Q. If it arose, you would determine whether you would deal with an organized union or not?

20 A. Absolutely .

THE COMMISSIONER: Is Mr. Lundy prepared to say he would be free to adopt a system of collective bargaining with the men?

25 BY MR. McRUER: Q. Are you prepared to say you would be free to adopt a system of collective bargaining with the men without reference to the board or the Chairman of the board?

30 A. Well, sir, I think that puts me in an unfair position. Why should I be obliged to declare a policy on something that has not yet arisen?

January,

A. Well, if they are organized  
sir, we would have to deal with them, I should think.  
A. Well, again -- A. we have never come up

to that proposition.  
A. Well, if they are organized and you prepared

to deal with them collectively?  
A. Well, sir,  
we never come up against that proposition, and I don't  
know whether I am obliged to answer a theoretical  
question.

THE CHAIRMAN: Perhaps he cannot.  
BY MR. McLENNAN: Q. Are you in a position to answer  
to answer that question or would that be something  
that would have to be dictated by the Chairman of the  
board or some suggestion? A. Not at all, sir.

Q. You are the one, then, that would determine if  
it is correct, you would determine whether you  
would deal with an organized union or not?

A. Absolutely.  
THE CHAIRMAN: Is Mr. Lundy prepared to say  
he would be free to adopt a system of collective  
bargaining with the men?

BY MR. McLENNAN: Q. Are you prepared to say you  
would be free to adopt a system of collective  
bargaining with the men without reference to the  
board or the Chairman of the board?

A. Well, sir, I think that puts me in an unfair  
position. Why should I be obliged to declare a  
policy on something that has not yet arisen?



THE COMMISSIONER: What I want to know is whether you have the authority to answer such a question.

BY MR. McRUER: Q. Would you be the man that would answer it if it did arise? A. I would not

refer to anybody else.

Q. You would not refer it to anybody else?

A. No.

Q. Then, at these times, Mr. Lundy, you must know what your policy is on the matter?

A. Well, I repeat, sir, that I think it is an unfair question.

Q. Well, whether it is an unfair or fair question I am asking you what your policy is on it. I will take the responsibility of the fairness or unfairness of it? A. Is it necessary, my lord?

THE COMMISSIONER: Well, you are being asked and I don't know whether you appreciate the size of the question. You are being asked whether your company is prepared to go into a system of collective bargaining with its employees. You do say you are the one to decide that. Well now, perhaps you have never had occasion to study it, I don't know. If you are the one to decide it can you decide it today and answer it? A. No.

BY MR. McRUER: Q. Have you been in any way instrumental in discouraging the organization of a union past? A. No.

Q. It was suggested here this morning that when a public meeting was being held - I think it was in

THE COMMISSIONER: What I want to know is whether  
you have the authority to answer such a question.  
BY MR. MONROE: I would like to be the man that would  
answer it if it did arise? A. I would not  
refer to anybody else.  
Q. You would not refer it to anybody else?  
A. No.

Q. Then, at these times, Mr. Lang, you must know  
what your policy is on the matter?  
A. Well, I repeat, sir, that I think it is an unfair  
question.  
Q. Well, whether it is an unfair or fair question  
I am asking you what your policy is on it. I will  
take the responsibility of the testimony in this  
of it?  
A. Is it necessary, my lord?

THE COMMISSIONER: Well, you are being asked and  
I don't know whether you appreciate the size of the  
question. You are being asked whether your  
company is prepared to go into a system of collective  
bargaining with the employees. You do say you are  
the one to decide that. Well now, suppose you  
have never had a session to study it, I don't know.  
If you are the one to decide it can you decide it  
today and answer it?  
A. No.

BY MR. MONROE: I have you been in any way  
instrumental in discussing the possibility of  
this matter?  
A. No.  
Q. It was suggested here this morning that when



this hall - two of the superintendents, two of the head men at the mill - who were they, Mr. Granton?

MR. GRANTON: James and Parsons.

5 BY MR. McFUE: Q. Mr. James and Mr. Parsons sort of stationed themselves at the foot of the stairs as the employees were coming in and that the employees seeing them would turn away. Now, can you suggest to me why Mr. James and Mr. Parsons on that particular evening and at that particular time should find it necessary to station themselves at the entrance to the hall where the employees were holding a meeting?

10 A. I think a hand bill was circulated among the citizens of the town advising them of such a meeting and tantamount to an invitation to them to attend it.

15 Q. Yes, and if they want to go up and sit down all right, but why station themselves at the entrance to the door? A. I don't know that that is a fact, sir.

20 Q. Well, it has been sworn to so far.

MR. KELLOCK: The witness does not have to agree with that.

BY MR. McFUE: Q. Did you have some discussion with either of these gentlemen in respect to this meeting?

25 A. No, sir.

Q. You never mentioned it?

A. No.

Q. Never discussed it with them at all that there was a meeting being held?

A. No.

30 Q. You are quite positive of that?

A. Yes.

Q. Well, there is a question I want to ask you

the hall - two of the superintendents, two of the  
head men at the mill - who were there, Mr. James and  
Mr. Gammell; James and Persons.

BY MR. HARRIS: Q. Mr. James and Mr. Gammell and

of stationers themselves at the foot of the stairs  
as the employees were coming in and that the employees  
seeing them would turn away. Now, can you suggest

to me why Mr. James and Mr. Gammell on that particular  
evening and at that particular time should find it

inconvenient to go to the entrance to  
the hall where the employees were holding a meeting?

A. I think a hand bill was circulated among the citizens  
of the town advising them of such a meeting and

invited them to attend it.

Q. Yes, and if they went to go up and sit down all  
right, but why station themselves at the entrance to

the door?

A. I don't know that that is a

fact, sir.

Q. Well, it has been known to do for.

MR. HARRIS: The witness does not have to agree

with that.

BY MR. HARRIS: Q. Did you have some discussion with  
either of these gentlemen in respect to this meeting?

A. No, sir.

Q. You never mentioned it?

A. No.

Q. Never discussed it with them at all that day?

A. No.

Q. You were not there on that day?

A. Yes.

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about, and that is the method of taking your inventory, before I pass on to something else. I am nearly through. How is your inventory valued?

A. Cost or market.

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Q. Have you not at times--

A. Whichever is the lower.

Q. Have you not at times had an inventory

reserved? A. I think there is; there is still one, sir.

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Q. There is still an inventory reserved?

A. Yes.

Q. And that inventory reserve is not shown on your books, is it?

A. I think it is a reduction

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from the inventory.

Q. Yes, I know, but it is a reserve that is not shown on your books?

A. I don't keep the

books, sir.

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Q. You know what the balance sheet is, and you know the reserves that are disclosed, don't you; you look at the balance sheet?

A. I think the

inventory says less reserve, if I am not mistaken.

Q. You look at the balance sheet, do you not?

A. Yes.

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Q. And the balance sheet does not disclose the amount of the inventory reserve, does it?

A. I think you are correct.

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Q. So that when we were dealing with the profits of this company yesterday, and dealing with the reserves of the company yesterday, there was one thing

about, and that is the method of taking your inventory.  
before I pass on to something else. I am really  
through. How is your inventory going?  
A. Good or better.  
Q. Have you not at times--  
A. Which one is the lower.  
Q. Have you not at times had an inventory  
A. I think there is; there is still  
one, sir.  
Q. Where is still an inventory reserve?  
A. Yes.  
Q. And that inventory reserve is not shown on your  
books, is it?  
A. I think it is a reserve  
from the inventory.  
Q. Yes, I know, but it is a reserve that is not  
shown on your books?  
A. I don't keep the  
books, sir.  
Q. You know what the balance sheet is, and you know  
the reserves that are disclosed, don't you; you look  
at the balance sheet?  
A. I think the  
inventory says loan reserve, it is not mistaken.  
Q. You look at the balance sheet, do you not?  
A. Yes.  
Q. And the balance sheet does not disclose the  
amount of the inventory reserve, and it  
A. I think you are correct.

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we did not know about, apparently, and that was the inventory reserve because that was not disclosed in the figures we were dealing with yesterday?

5 A. It was disclosed on the questionnaire which went to the accountants.

Q. Well, the accountant tells me he did not get that information until yesterday. It was not until yesterday that he discovered there was such a thing. Now, how much is your inventory reserve?

10 A. I believe \$150,000.

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15 (Page 9750 follows)

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... of know about, apparently, and that was the  
inventory reserve because that was not disclosed in  
the figures we were dealing with yesterday?  
A. It was disclosed on the questionnaire which went  
to the accountants.

Q. Well, the accountant tells me he did not get  
that information until yesterday. It was not  
until yesterday that he discovered there was such a  
reserve. Now, how much is your inventory reserve?  
A. I believe \$100,000.

(The witness continues)

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Q. Are you sure there is not more? A. No.

Q. Was there not at times transfers made from this Inventory Reserve to other reserves too so that the Inventory Reserve does not show how much the Inventory had been written down at other times?

A. The Inventory Reserve was greater than that. You asked me if it was more now.

Q. How much has been set' tacked away in Inventory Reserve for the last 30 years? A. Well, as far as I remember, this Inventory Reserve amounted at one time to \$300,000. Either that or \$275,000. That is a matter of Mr. Robinson ---

THE COMMISSIONER: Will you tell me, what is the object of Inventory Reserve?

MR. McRUER: Q. Why did not you show it on your books? A. Well, an inventory reserve is to provide against fluctuations in the price of raw materials.

Q. Why cannot you say that on your books? A. Well, I don't determine the book-keeping. Q. There is another thing I am learning about.

MR. KELLOCK: You have made the statement but you have not shown it is not on the books.

MR. McRUER: Well, where is it on the books?

MR. KELLOCK: Well, it is not for me.

THE COMMISSIONER: Q. It is a sort of insurance against depreciation, fluctuations in the prices? A. Yes.

Q. Are you sure there is not more?

A. Was there not at times transfers made from

this inventory Reserve to other reserves too so that

the inventory Reserve does not show how much the

inventory had been written down at other times?

A. The inventory Reserve was greater than that.

You asked me if it was more low.

Q. How much has been written down in inventory

Reserve for the last 30 years?

A. I remember, this inventory Reserve amounted at

one time to \$800,000. With that or \$75,000.

That is a matter of Mr. Robinson --

THE COMMISSIONER: Will you tell me, what is the

object of inventory Reserve?

MR. McNEIL: Well, did not you know it on your

books? Well, an inventory reserve is to

provide against fluctuations in the price of raw

materials.

Q. I cannot find any book on your books.

A. Well, I don't remember the year--

There is a book, that I am looking at.

MR. McNEIL: The book was not written by me.

It is not shown it is not on the books.

MR. McNEIL: Well, where is it on the books?

MR. McNEIL: Well, it is not for me.

THE COMMISSIONER: It is a sort of insurance

against fluctuations in the value



MR. McRUER: Q. And do you know how much has been written off to inventory reserve over the period of 30 years? You say it was up to \$300,000 at one time?

5 A. I could not tell you anything about what has been written off over a period of 30 years. I am dealing only with the present conditions of which I have some knowledge since being in charge of the business.

10 Q. Well, of course, Mr. Howson will find out all about it and tell us about it later. One other matter I want to deal with and this is a letter dated 16th January, 1936, from you to Mr. Hallam:

15 EXHIBIT 721: Copy of a letter from Mr. Lundy to Mr. Hallam dated the 16th January, 1936.

Q. You were one of those that attended the meetings in Ottawa on the 14th of January for the purpose of interviewing the Ministers there in regard to Japanese competition? A. Yes, sir.

20 Q. The letter reads as follows:

"I am enclosing a clipping from the New York - 'Journal of Commerce', being a despatch from Montreal regarding the effects of the prospective Japanese competition."

25 Do you know if the despatch from Montreal emanated from Mr. Hallam's office? A. I do not think so.

30 "The situation seems to be well summed up but I am wondering from what source this paper obtains its information. Would it be possible to check up on this? While the information appears fairly correct in the present





in the present instance, it might be well  
to guard against some incorrect information  
regarding the textile business in Canada  
possibly going out at some time in the future.

The question of what was being done in South  
Africa regarding Japanese imports came up in  
Ottawa. I quote from a letter of 17th June,  
1935, written by our Agent in Capetown,-

I am now advised by the Customs that Tariff  
65 (V), applies to garments of Japanese origin,  
plus an exchange dumping duty which is the  
difference between the normal value of the yen  
and the rate in relation to sterling at date  
of shipment. At the present the Customs determine  
the exchange dumping duty thus computed,  
at 65% ad valorem. This means to say that although  
Japanese garments pay the same ordinary rate of  
customs duty as those from Canada, there is an  
additional charge against the Japanese of 65%  
which effectively shuts them out of this market  
almost entirely."

You will see from the foregoing that Empire  
goods have a considerable preference in the  
South African market.

Thinking over our interview with the three  
Cabinet Ministers in Ottawa, our representations  
may have been a little premature. It possibly  
might have been better to wait until other

9752

January

in the present instance, it might be well

to have some further information

regarding the textile business in Canada

possibly going out at some time in the future.

The question of what was being done in 1907

at the time Japanese imports came up in

Ottawa. I quote from a letter of 17th June,

1908, written by our agent in Vancouver, -

I am not aware of any Japanese goods

being (or) applied to customs at Vancouver.

plus an exchange dumping duty which is the

difference between the normal value of the yen

and the rate in relation to sterling at date

of import. At the present time the exchange

the exchange dumping duty thus computed,

at 85% ad valorem. This means to say that although

Japanese garments pay the same ordinary rate of

customs duty as those from Canada, there is an

additional charge against the Japanese of 85%

which effectively shuts them out of this market

almost entirely."

You will see from the foregoing that English

goods have a considerable advantage in this

South African market.

Further information is being obtained from the

British Consulate in Japan, and from the

and the same is being forwarded to the

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evidence was in hand regarding Japanese competition in order to make the most pronounced impression on the Ministers. On the other hand, perhaps it was well to get our objections in early and then make repetition of them. Time, and the ultimate result, will be the best answer to this.

Thinking over the Primary Textiles Institute, it appears to me we are rather too loosely knit to obtain maximum results in our activities. Possibly more frequent meetings would induce better cohesion in the organization. It would seem there should be plenty to discuss affecting the textile industry as a whole at the present time. There is this Japanese question; there is the forthcoming Budget and then the revision of the Empire Trade Agreements in 1937.

Certain groups might be able to deal individually with particular phases of these problems but in writer's opinion there are common factors in all of them which can be dealt with by the whole industry. If there are any groups of Primary Textile manufacturers that have not been taken in, I think consideration should be given to this point also. In my opinion good could be accomplished by having a business meeting of the Institute at a comparatively early date and in addition to the six or seven who now comprise the Executive of the Institute it might be desirable to ask one or two representatives from the

1937

in order to make the most pronounced impression  
on the Ministers. On the other hand, perhaps  
it was well to get our objections in early and  
then make repetition of them. Time, and the  
ultimate result, will be the best answer to this.

it appears to me we are rather too loosely  
knit to obtain maximum results in our activities.  
better cohesion in the organization. It would  
seem there should be plenty to discuss affecting  
the textile industry as a whole at the present  
time. There is this Japanese question; there is  
the forthcoming Budget and then the revision  
of the Empire Trade Agreement in 1937.

Certain groups might be able to deal individually  
with particular phases of these problems but in  
writer's opinion there are common factors in all  
of them which can be dealt with by the whole  
industry. If there are any groups of primary  
importance, I think a consideration should be given to  
this point also. In my opinion good could be

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various Sections to attend also.

Will you kindly give consideration to the foregoing and let me know if you concur in the views expressed."

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I show you a letter from Douglas Hellam to you dated June 7th, 1935? A. Yes, sir.

EXHIBIT 722: Letter dated June 7th, 1935, from Mr. Hellam to H. W. Lundy.

Q. It reads as follows:

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" Enclosed is a set of Study Club Notes.

"These may contain information of use to you

"at the present time.

" If you have any suggestions of good

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"points to make, I would be obliged if you

"would let me have them. The suggestions

"I am working on at the present time are:

" Further impress that the woollen and

" knitting industry is an industry of

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" small units in small towns, that it

" calls for skill in employees and is

" not automatic, that it is highly

" competitive, that wool is grown in

" Canada and we use 60% of the avail-

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" able supply, and something about

" what duties amount to."

You were not a member of Parliament, were you? A.

No, sir.

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Q. This was sent to you apparently for some purpose--do you know why? A. Well, it is a

matter of Study Club Notes, nothing new about that.

various sections to attend also.

Will you kindly give consideration to the foregoing and let me know if you consent in the

I show you a letter from Douglas Bellam to you

dated June 7th, 1933. A. Yes, sir.

THAT was: Letter dated June 7th, 1933, from Mr. William to H. W. Lundy.

It reads as follows:

"Enclosed is a set of Study Club Notes.

"These may contain information of use to you

"at the present time.

"If you have any suggestions of good

"points to make, I would be obliged if you

"would let me have them. The suggestions

"I am working on at the present time are:

"Further improve that the woolen and

"knitting industry is an industry of

"small units in small towns, that it

"calls for skill in employees and in

"the machinery, that it is

"competitive, that wool is grown in

"Canada and we are not at all self-

"sufficient, and something about

"what duties amount to."

THEY ARE NOT A MATTER OF DUTY, BUT OF FACT.

ALL.

"It is not a matter of duty, but of fact."

Well, it is a



I think he was simply submitting to me a draft of what he proposed to supply the Study Club, asking for any suggestions on my part.

5 Q. The notes are already read, they were sent out and had been sent out from week to week.

THE COMMISSIONER: The notes are attached to the letter.

10 MR. McRUER: Q. "The suggestions I am working on at the present time. "that is what he is saying, but there is one clause I want to deal with at the moment and that is the statement "that it is highly competitive". In respect to these matters in which you had signed your agreement in regard to prices  
15 that was not true? A. Certainly had competition from other manufacturers.

Q. Call it "highly competitive" when you were agreeing together as to minimum prices you would charge? A. Unless all manufacturers  
20 in a group are in a thing like that is certainly competitive.

MR. McRUER: I think that is all.

---Adjourned at 3.40 p.m. for recess.

25 ---On resuming:

BY MR. KELLOCK:

30 Q. Mr. Lundy, my friend was referring to Exhibit No. 563, which is the memo. with regard to full fashioned hosiery and that document states that it has been brought about by reason of untrue statements which were being made as to prices at

I think he was simply submitting to me a draft of what he proposed to supply the Study Club, asking for any suggestions on my part.

The notes are already read, they were sent out and had been sent out from week to week.

THE COMMISSIONER: The notes are attached to the

MR. MORRIS: The suggestions I am working

on at the present time. "That is what he is saying

but there is one clause I want to deal with at the

moment and that is the statement "that it is highly

competitive". In respect to these matters in which

you had signed your agreement in regard to prices

that was not true? A. Certainly had compe-

tition from other manufacturers.

Call it "highly competitive" when you

are talking about it in connection with the

would charge? A. Unless all manufacturers

in a group are in a thing like that is certainly

competitive.

MR. MORRIS: I think that is all.

---Adjourned at 3.40 p.m. for recess.

---On resuming:

MR. MORRIS:

Mr. Bundy, my friend was referring to Exhibit

no. 565, which is the memo. with regard to full

industrial history and that industrial history

is the best present state of affairs of the



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which certain manufacturers were selling - do you recall that that was an existing situation at the time this document came into being? A. Well,

5 it is more or less a permanent condition right through in my experience.

Q. That is, that the recital in these documents was through in your experience? A. Yes.

10 Q. And then the documents gave you a means of ascertaining just whether reports as to prices quoted after that time had any foundation in fact or not?

A. Yes, sir.

15 Q. And was that situation a moving factor in connection with the other documents dealing with other lines of merchandise such as ladies' underwear and lines that had been referred to? A. Yes, sir.

20 Q. And was that the object in those cases also to ascertain what the fact was when a price would be rumoured about? A. Yes.

25 THE COMMISSIONER: I do not understand you. Are you referring to these documents where the signers notified Mr. Hallam they would not sell below a certain price without giving 15 days' notice.

MR. KELLOCK: Yes, my lord, the first is Exhibit ---

THE COMMISSIONER: I know the reason it says there. You say its object was to know what?

30 MR. KELLOCK: Its object was to be able to check through Mr. Hallam, when a buyer said whether or not

which certain manufacturers were selling - do you recall that that was an existing situation at the time this document came into being? A. Well, it is more or less a permanent condition right through in my experience.

Q. That is, that the recited in these documents was through in your experience? A. Yes.

Q. And then the documents gave you a means of ascertaining just whether reports as to prices quoted after that time had any foundation in fact or not? A. Yes, sir.

Q. And was that situation a moving factor in connection with the other documents dealing with other lines of merchandise such as ladies' underwear and that sort of thing? A. Yes, sir.

Q. And was that the object in those cases also to ascertain what the fact was when a price would be returned about? A. Yes.

THE COMMISSIONER: I do not understand you. Are you referring to these documents where the signers notified Mr. Nelson they would not sell below a certain price without giving 15 days' notice.

MR. KILLOON: Yes, my lord, the first is Exhibit --

THE COMMISSIONER: I know the reason it says there. You say its object was to know what?

MR. KILLOON: Its object was to be able to check

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a certain mill had quoted a certain article at a certain price, whether that in fact was the real fact.

5 THE COMMISSIONER: Whether the mill was breaking its agreement.

MR. KELLOCK: No.

10 THE COMMISSIONER: The buyer would think that mill sold at a certain price and that price was found to be below the price set out in this agreement. How do you know who was telling the truth? Mr. Hallam

15 said that certain mills did not keep the agreement; they did sell in contravention of its terms, so that the agreement itself was only a promise to maintain certain prices.

MR. KELLOCK: The basis of the document is this, and what I understand the witness to say is this:

20 That after these documents came into existence and buyers said that a competitor was selling an article made by this company at a certain price, which was lower than the price mentioned in the document, the existence of this document enabled this company to find out through the other company through Major Hallam  
25 whether that statement was true.

Q. Was that one of the main objects in bringing about that document? A. Yes, one of the main objects.

30 THE COMMISSIONER: Here is a document, joint agreement by a number of signers not to sell below a

A certain mill had passed a certain article at

certain price, whether that in fact was the real

fact.

THE COMMISSIONER: Whether the mill was breaking

the contract.

THE COMMISSIONER:

THE COMMISSIONER: The buyer would think that mill

sold at a certain price and that price was found to

below the price set out in this agreement. How do

you know who was telling the truth? Mr. Bellam

said that certain mills did not keep the agreement;

they did sell in contravention of the terms, so that

the agreement itself was only a promise to maintain

certain prices.

MR. BELLAM: The basis of the document is this,

and what I understand the witness to say is this:

That after these statements were made, witnesses

buyers said that a competitor was selling an article

made by this company at a certain price, which was

lower than the price mentioned in the document, the

existence of this document enabled this company to

that the company had been selling at a lower price

whether that statement was true.

4. as that one of the main objects in bringing

these facts before

objects.

at least one of the main objects in bringing



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Lundy

5 certain price. Now then, if anybody is reported to be selling below that price you notify Major Hallam and he finds out whether it is true and he tells the others and you are all liberated by the terms of the document, is that not right?

MR. KELLOCK: Might not be liberated, it simply fell to the ground by its own weight.

10 Q. Now, in connection with Exhibit 709, which is a similar document relating to ladies' underwear, the undertaking was there that certain prices would be charged for certain lines and you said those were the cheapest lines in the industry, the cheapest lines of ladies' underwear? A. Cheapest lines that we would make.

Q. And that you would not go into cheaper lines without notifying him? A. No.

20 Q. But you were free to make cheaper lines at any time simply by telling him you were going to do so? A. Seven days' notice.

THE COMMISSIONER: Make cheaper lines or sell at cheaper prices?

25 MR. KELLOCK: Both.

Q. That is, you could fabricate a cheaper line entirely or you could reduce your prices on the particular line mentioned in the document.

30 THE COMMISSIONER: That is, you could only after giving 7 days' notice to Mr. Hallam.

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be selling below that price you notify Major Hallam

and he finds out whether it is true and he tells the

others and you are all liberated by the terms of the

document, is that not right?

MR. KELLICK: Might not be liberated, it simply

tell to the ground by its own weight.

Now, in connection with the lines, which is

similar document relating to ladies' underwear, the

understanding was there that certain prices would be

charged for certain lines and you said those were the

cheapest lines in the industry, the cheapest lines

of ladies' underwear? A. Cheapest lines that

we would make.

And that you would not go into cheaper lines

without notifying him? A. No.

But you were free to make cheaper lines at any

time simply by telling him you were going to do so?

A. Seven days' notice.

THE COMMISSIONER: Make cheaper lines or sell

at a profit?

MR. KELLICK: Yes.

That is, you could fabricate a cheaper line

entirely or you could reduce your prices on the

particular line mentioned in the document.

THE COMMISSIONER: That is, you could only after

giving 7 days' notice to Mr. Hallam.



MR. KELLOCK: Yes.

Q. And supposing you or any other manufacturer  
showed to do either one or both of those things without  
notifying Major Hallam within the seven days or any  
other time, is there anything you know of that Major  
Hallam could do about it? A. No.

Q. In other words, the enforcing of the agreements  
were quite ineffective? A. Simply a matter  
of keeping a promise, that is all.

THE COMMISSIONER: A gentleman's understanding.

MR. KELLOCK: Q. And these plum lines are concerned,  
you said, or did I correctly understand you as saying,  
that there were a number of other manufacturers who  
were not in any way parties to any documents of any  
kind? A. Yes, sir.

Q. And the lines that you were selling were your  
own particular lines under your own trade mark?

A. Yes.

Q. And is this the fact, Mr. Lundy, that those  
same lines of goods are sold in the market in quantity  
by manufacturers without any trade mark whatever?

A. Similar lines of merchandise. Some of them are  
trade marked and some are not.

Q. Now, my friend was examining you about something  
that he seemed to suggest was very mysterious - that  
is, this reserve of your inventory, and suggested to  
you that in some way you hid that fact away and did  
not reveal it. I am looking at your published

MR. KELLOCK: Yes.

Q. And supposing you or any other manufacturer chose to do either one or both of those things with notifying Major Hallam within the seven days or any other time, is there anything you know of that Major Hallam could do about it?

A. No.

Q. In other words, the enforcing of the agreement were quite ineffective?

A. Simply a matter of keeping a promise, that is all.

MR. KELLOCK: Q. And these plain lines are concerned

you said, or did I correctly understand you as saying that there were a number of other manufacturers who were not in any way parties to any documents of any kind?

A. Yes, sir.

Q. And the lines that you were selling were your own particular lines under your own trade mark?

A. And is this the fact, Mr. Bundy, that those same lines of goods are sold in the market in quantity by manufacturers without any trade mark whatever?

A. Similar lines of merchandise. Some of them are trade marked and some are not.

Q. Now, my friend was examining you about something that he seemed to suggest was very mysterious - that is, this reserve of your inventory, and suggested to you that in some way you did that fact away and did not reveal it. I am looking at your published



Balance Sheet for the year ending 31st December, 1935,-  
that, I suppose, is your last balance sheet?

A. Yes.

Q. And I find on the Assets side, the last item  
"Inventory of raw and manufactured stock at cost or  
market, whichever is lower, less reserve."

A. Yes, I stated that in my evidence.

Q. There is no secret about it that you know  
off? A. No.

MR. McRUER: It was the amount of the reserve that  
I was sorrying about not being shown.

MR. KELLOCK: Now, may I have, Mr. McRuer, the  
return that you were examining the witness about as  
a basis for the statement which was given such  
publicity yesterday that the wages in 1936 were lower  
than in 1930 - have you got those statements?

MR. McRUER: Mr. Howson has them. I will send  
out for them.

MR. KELLOCK: Q. His lordship was asking yesterday  
if there was any explanation of what appeared to be  
the facts, as far as some evidence went, that when  
female and male labour were engaged on the same  
operation that there was a disparity in the rate paid  
to the female worker. Now, I notice that in  
connection with the figures read by my friend from  
Mill No. 5, which is Coaticook, that in regard to  
knitters in 1926 the female knitters received 25 cents  
an hour and the males exactly the same. In 1930

Lundy

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Balance Sheet for the year ending 31st December, 1933

that, I suppose, is your last balance sheet?

A. Yes.

4. And I find on the Assets side, the last item

"Inventory of raw and manufactured stock at cost or

market, whichever is lower, less reserve."

A. Yes, I stated that in my evidence.

5. There is no secret about it that you know

MR. MCNEIL: It was the amount of the reserve that

I was worrying about not being shown.

MR. KELLOCK: Now, may I have, Mr. McNair, the

return that you were examining the witness about as

a basis for the statement which was given such

publicly yesterday that the rates in 1930 were lower

than in 1929 - have you got those statements?

MR. MCNEIL: Yes, I have them, I will send

out for them.

MR. KELLOCK: 6. His Lordship was asking yesterday

if there was any explanation of what appeared to be

the facts, as far as some evidence went, that when

female and male labour were engaged on the same

operation that there was a disparity in the rate paid

to the female worker. Now, I notice that in

connection with the figures read by my friend from

Mill No. 5, which is Gottschock, that in regard to

in 1930 and the rates exactly the same. In 1929



the female knitters received 24 cents and the males exactly the same. In 1936 the females received 21 cents and the males only 20 cents. Now, was that the same operation? A. Yes.

5 Q. Now, also, in connection with Mill No. 12, which is the Waterford Mill, again in the figures referred to by my friend yesterday, in 1926, dealing with frame spinners, males received 18 cents, females 20 cents. 1930 males received 19 cents, females 20 cents. 1936 males received 25 cents and females 21 cents. Now, with the exception of the year 1936 the females were paid more than the males and in 1936 there was a difference. Do you know what the situation is there and how that bears on the point we are discussing as to whether females and males engaged on the same operation are paid the same or different scales? 15 A. I don't know whether back in 1926 and 1930 that this return may have been made up on a classification of ages in regard to mills. I don't know whether that information is available. Does the returns show it? 20

25 Q. No, apparently no age division and males include men and boys and females, girls and women, - what difference would that make? A. Well, naturally if there were boys there they would not earn as much as adult men.

30 Q. So that the figures cannot be very well compared?

A. No.

The family business, I believe, is now in the hands of the family.

exactly the same. In 1938 the females received 21

cents and the males 25 cents, and in 1939

the same operation? A. Yes.

Now, also, in connection with Mill No. 12,

which is the "Toronto Mill", again in the figures

referred to by my friend yesterday, in 1938, dealing

with frame spinners, males received 18 cents, females

20 cents. 1939 males received 19 cents, females 20

cents. 1940 males received 20 cents and females 21

cents. Now, with the exception of the year 1938

the females were paid more than the males and in 1938

there was a difference. Do you know what the difference

is there and how that bears on the point we are

discussing as to whether females and males engaged on

the same operation are paid the same or different rates?

A. I don't know whether back in 1938 and 1939 that is

return may have been made up on a classification of age

is there a difference? A. Yes, I believe so.

information is available. Does the return show

any difference? A. Yes, I believe so.

men and boys and females, girls and women, - what

difference would that make? A. Well, naturally

it would make a difference, but I don't know what the

of that is.

is there a difference? A. Yes, I believe so.

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Q. Well now, is it a fact or is it not that females engaged on the same work exactly as the males are paid the same rate or not? A. It would be very difficult to answer that fully as regards all operations of our company, but in the main I would say they are paid exactly the same.

. In addition to that illustration from Coaticook, which appears to be exactly the same, except that females get a little more than males in the one year, can you think of any other illustration that illustrates the same thing? A. Well, there was a case came up this morning, an operator at No. 1 Mill, I think her name was Luker. If I remember the testimony correctly she said she was a time worker working in the day time.

. Yes, at 20 cents an hour? A. Yes.

. And she said that at night Howard Hume did the same kind of work that she did and he got 30 cents an hour? A. I have taken pains to enquire about that. The girl that works in the day time simply runs the knitting machine. If the knitting machine gets out of order there is a mechanic on hand in the day time to fix the machine. She has nothing to do with that. The man at night - what is his name?

Q. Hume? A. He is able to both operate and fix the machine during the course of the night.

. And is that the explanation for the higher wages paid to him? A. Yes, he is a more skilled worker.

Truly

Yours

Well now, is it a fact or is it not that females

engaged on the same work exactly as the males are

paid the same rate or not?

very difficult to answer that fully as regards all

operations of our company, but in the main I would say

they are paid exactly the same.

In addition to that illustration from Gostick,

which appears to be exactly the same, except that

females got a little more than males in the one year,

can you think of any other illustration that illustrates

the same thing? A. Well, there was a case

came up this morning, an operator at No. 1 Mill,

I think her name was Inker. If I remember the

testimony correctly she said she was a

ing in the day time.

Yes, at 30 cents an hour.

And she said that at night Howard made did the

same kind of work that she did and he got 30 cents an

hour? A. I have taken pains to enquire about

that. The girl that works in the day time simply

runs the knitting machine. If the knitting machine

was out of order during the night in the

day time to fix the machine. She has nothing to do

with that. The men at night - what is his name?

Y. I don't know. He is just an

the same kind of work that she does in the day

and he gets the same pay as she does in the day



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Lundy

Q. Then what about girls working and men working on automatic machines? A. Well, it was stated by these witnesses this morning that the rates were exactly the same on what they call H.H. machine, which is automatic machine.

Q. Well then, so far as you are able to say then and so far as you have been able to investigate, do you say that if the females are doing exactly the same operations as the males then they get paid at the same rate? A. Yes, we do not discriminate against a female on the same work.

Q. And if females as a class appear to receive or make less earnings than men is the conclusion then that the men are engaged on a kind of work that is either not done by girls or beyond the physical strength of girls? A. Yes.

Q. Now, my friend in examining you yesterday referred to the return of your company to the Commission, the last sheet or a sheet headed "Salary and Wages Classification" under the heading of "Mill Workers up to and including a \$1,000 a year." The amount paid as shown by the returns in 1926 was \$1,368,502.50. In 1930 the amount shown was \$1,546,295.00. And in 1936, \$1,428,390.00. Now, I understand, Mr. Lundy, that that 1930 figure is an error? A. I believe so.

Q. And you have caused a letter to be sent to the

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lady

Q. Then what about girls working and not working

on automatic machines? A. Well, it was

stated by these witnesses this morning that the

rates were exactly the same on what they call H.M.

machine, which is automatic machine.

A. Well then, so far as you are able to say then

and so far as you have been able to investigate,

do you say that if the females are doing exactly the

same type of work as the males, they are paid the

the same rates? A. Yes, we do not discriminate

against a female on the same work.

Q. And if females as a class appear to receive

or make less earnings than men is the conclusion

then that the men are engaged on a kind of work

that is either not done by girls or beyond the

typical average of girls.

A. Now, my friend is examining you yesterday

referred to the return of your company to the Commission

the last sheet or a sheet headed "Salary and wages

classification" under the heading of "Mill Workers

up to and including a \$1,000 a year." The

amount paid as shown by the returns in 1936 was

\$1,588,502.00. In 1930 the amount shown was

\$1,548,225.00. And in 1935, \$1,488,550.00. Now,

Q. And you have caused a lot of trouble in the

an error? A. I believe so.



Auditor which sets out that situation - is that the letter? A. Yes.

MR. KELLOCK: I should like to file that letter. It is a letter addressed to Messrs Thorne, Mulholland, Howson & McPherson.

THE COMMISSIONER: Exhibit 723.

EXHIBIT 723: Copy of letter dated October 16th, 1936, from Penmans Limited to Messrs Thorne, Mulholland, Howson and McPherson.

MR. KELLOCK: And there are one or two other items that are in error in the return but the main one is the last one in the letter and the correct figure for 1930 is \$1,391,050.

THE COMMISSIONER: That is the figure for what?

MR. KELLOCK: That is the amount of wages paid to mill workers up to and including \$1,000 per year, and as a great deal of publicity was given both last night and to-day to my friend's statement - of course, without reflecting on my friend in any way, the error was ours, it was based on an entirely erroneous figure, and I believe the Press will give the same publicity, to it. The erroneous figure for 1930 was \$1,546,295. and it ought to have been the figure \$1,391,050.

THE COMMISSIONER: It was made to compare, I suppose, with figure of last year.

MR. KELLOCK: Made to compare with figure of 1926 and 1936 and large publicity was given to the fact that the wages paid in 1936 were much less than in 1930, and the workers were more, and I will come to that

Auditor which sets out that situation - is that the

letter?

MR. KENLOCK: I should like to file that letter.

It is a letter addressed to Messrs. Thorne, Milne & Co.,

Howan & Robinson.

THE COMMISSIONER: Exhibit 728.

EXHIBIT 728: Copy of letter dated October 1930, from Messrs. Thorne, Milne & Co., Howan & Robinson.

MR. KENLOCK: And there are one or two other items

that are in the letter but the main one is the

last one in the letter and the correct figure for 1930

is \$1,501,000.

MR. KENLOCK: That is the amount of wages paid to

mill workers up to and including \$1,000 per year,

and as a great deal of publicity was given both last

night and to-day to my friend's statement - of course,

without reflecting on my friend in any way, the error

was ours, it was based on an entirely erroneous figure,

and I believe the press will give the same publicity,

to it. The erroneous figure for 1930 was \$1,540,200.

THE COMMISSIONER: It was made to compare, I suppose,

with figure of last year.



aspect.

THE COMMISSIONER: You are not finding any complaint, as I understand it. This was an error in your own returns.

MR. KELLOCK: Yes. And the situation is that the total wages paid have gone up uniformly - 1926, 1930 and 1936.

MR. McRUER: You cannot say that.

THE COMMISSIONER: What is the sum for 1936?

MR. KELLOCK: For 1936, \$1,428,390, which is more than 1930 and 1930 more than 1926.

MR. McRUER: Yes, but you have to take into consideration the number of employees.

MR. KELLOCK: I am coming to that. What I say is that the total amount paid ---

MR. McRUER: I understood Mr. Lundy to say that those were not the wages paid at all, that they were a calculation made of what wages would have been paid.

THE COMMISSIONER: Even so, then---

MR. KELLOCK: That is all the more reason - there has been publicity given broadcast to an allegation based on an error and, as you say, on figures that are not real figures at all.

MR. McRUER: What I did when I examined Mr. Lundy, I said: No use going on with those figures, they are not a parently the wages paid at all - and you are referring to them now as wages paid.

MR. KELLOCK: I am not doing anything of the kind.

Q. You are not finding any error in your calculation is it?

A. KELLICK: Yes. And the situation is that total wages paid have gone up uniformly - 1936 and 1937.

Q. KELLICK: What is the sum for 1937?

A. KELLICK: For 1936, \$1,483,300, which is the same as 1937.

Q. MR. MURPHY: Yes, but you have to take into account the number of employees.

A. KELLICK: I am coming to that. What I say is that the total amount paid ---

MR. MURPHY: I understand Mr. Kellick to say that those were not the wages paid at all, that they were a calculation made of what wages would have been.

A. KELLICK: That is all the more reason - the fact that it has been publicly given broadcast to an effect based on an error and, as you say, on figures that are not right.

Q. KELLICK: That is all the more reason - the fact that it has been publicly given broadcast to an effect based on an error and, as you say, on figures that are not right.

A. KELLICK: That is all the more reason - the fact that it has been publicly given broadcast to an effect based on an error and, as you say, on figures that are not right.

Q. KELLICK: That is all the more reason - the fact that it has been publicly given broadcast to an effect based on an error and, as you say, on figures that are not right.



THE COMMISSIONER: There is no misunderstanding about it. As I understand it, only two weeks were taken and those two weeks were used as a basis for 52 weeks.

MR. KELLOCK: Yes, my lord, by arrangement with the Commission's auditors,

THE COMMISSIONER: The only thing you want to do is correct a miscalculation made yesterday whereby the total sum for 1930 was not made large enough.

MR. KELLOCK: Yes.

THE COMMISSIONER: The figures, of course, are no more valuable to-day than they were yesterday.

MR. KELLOCK: Yes, the Press fastened on that and drew a deduction ---

THE COMMISSIONER: You are quite right to correct it.

MR. KELLOCK: And as I say I hope there will be the same publicity to right the error.

THE COMMISSIONER: Of course, you have not spoken to the Commission when you say that.

MR. KELLOCK: Well, of course, I had not spoken to anybody else but the Commission.

Q. Then my friend also referred to page 13, Sheet 1, of the returns to the Commission and under the caption of "Wages" - this is Profit and Loss Account - under caption of "Wages for the year 1930" there is a figure there of \$1,498,154.26. Now, in 1930 and in 1926 ---

THE COMMISSIONER: There is no misunderstanding

about it. As I understand it, only two weeks

ago, the Commission made a mistake in its

for 52 weeks.

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MR. KILLOCK: Yes, my lord, by arrangement with the

Commission's auditors.

THE COMMISSIONER: The only thing you want to do

is correct a misclassification made yesterday whereby

the total sum for 1980 was not made large enough.

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MR. KILLOCK: Yes.

THE COMMISSIONER: The figures, of course, are no

more valuable today than they were yesterday.

MR. KILLOCK: Yes, the figures remained on that and

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draw a decision ---

THE COMMISSIONER: The Commission is not in a position

17.

MR. KILLOCK: And as I say I hope there will be

some publicity to right the error.

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THE COMMISSIONER: Of course, you have not spoken

of the Commission when you say that.

MR. KILLOCK: Well, of course, I had not spoken

to anybody else but the Commission.

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.. Then my friend also referred to page 18.

Sheet 1, of the returns to the Commission and under

1979-1980 - this is given as the amount

that was paid to the Commission for the year 1980

of the year 1980.

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THE COMMISSIONER: Is not that the same figure you just gave me?

MR. KELLOCK: No, this is actual now.

THE COMMISSIONER: I know. Does not it amount to about the same in that correct exhibit you put in?

MR. KELLOCK: No, it amounts to more, my lord.

This is almost \$500,000 more.

7 Q. Now, the figure given here in 1926 is \$1,577,350.76

10 THE COMMISSIONER: Now, what is that figure - a computation?

MR. KELLOCK: No, that is actual in the Profit and Loss Account for these years as wages paid. This is on item of wages but it is on a different sheet.

15 THE COMMISSIONER: You are taking it out of Profit and Loss sheet?

MR. KELLOCK: Yes. These are two sheets referred to yesterday by Mr. Lundy. I understand in 1926 and 1930 those two figures I just read, those figures included the office staff in the Ste Hyacinthe Mill, is that right? A. I believe so.

25 Q. And when we come over to the 1935 figures, which is for the full year, \$1,304,037.89, there was a change of classification there - I mean, Ste Hyacinthe Mill office staff is not included?

A. That is right.

30 Q. So that you cannot compare those three figures for those three years because they are not on the same basis? A. No.

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Lundy

THE COMMISSIONER: Is not that the same figure you  
just gave me?

MR. KELLICK: No, this is actual now.

THE COMMISSIONER: I know. Does not it amount to  
about the same in that correct exhibit you put in?

This is almost \$300,000 more.

V. Now, the figure given here in 1933 is \$1,577,550.

THE COMMISSIONER: Now, what is that figure -

a computation?

MR. KELLICK: No, that is actual in the Profit and

Loss account for these years as wages paid. This is

an item of wages but it is on a different sheet.

THE COMMISSIONER: You are taking it out of Profit

and Loss account?

MR. KELLICK: Yes. These are two sheets referred

to yesterday by Mr. Lundy. I understand in 1933

included the office staff in the Ste. Hyacinthe Mill,

is that right? I believe so.

... and when we come over to the 1933 figures,

Hyacinthe Mill office staff is not included?

That is right.

For those three years because they are not on the same

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MR. McRUER: How much was the office figure?

MR. KELLOCK: \$28,312.19 in 1935, so that the 1935 figure ought to be \$1,412,350.82.

MR. McRUER: Does not make much difference.

MR. KELLOCK: Do not speak so fast, I am not finished.

Q. I want you to look at that same sheet, if you will, and will you tell his lordship whether those figures I have just read that are opposite the item called "Wages" include all the wages paid in these respective years, or whether there are other items on that sheet which include wages?

A. It is very difficult to say that those include all the wages. There may have been wages of service divisions, that would be including repairs and miscellaneous mill expenses.

Q. Well, to shorten it, I am instructed that under the heading of "Heat and Light" Mill expense, Selling and Distribution Expense, Machinery and Repairs and Building Repairs," all those items include items of wages?

A. Yes.

Q. So that until you have those figures segregated you cannot compare the wages paid in those years?

A. Practically impossible to segregate them now.

Q. Because you have not all the items of wages---

MR. McRUER: You compare the two groups.

MR. KELLOCK: No, you don't because ---

MR. McRUER: The classification is the same each year and you are comparing 1936 with 1935.

Monday

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MR. McNEIL: How much was the office figure?

MR. McNEIL: \$38,312.19 in 1955, so that the

1955 figure ought to be \$1,412,550.00.

MR. McNEIL: Does not make much difference.

MR. McNEIL: Do not speak so fast, I am not

finished.

Q. I want you to look at that same sheet, if you will

and will you tell his lordship whether those figures

I have just read that are opposite the item called

"Wages" include all the wages paid in these respective

years, or whether there are other items on that sheet

which include wages? A. It is very difficult

to say that those include all the wages. There

may have been wages of service divisions, that would

be including repairs and miscellaneous mill expenses.

Q. Well, to shorten it, I am instructed that under

the heading of "Heat and Light" mill expense, selling

and Distribution Expense, machinery and repairs and

miscellaneous, is there any other item?

A. Yes.

Q. So that until you have those figures segregated

you cannot compare the wages paid in those years?

A. Practically impossible to aggregate them now.

Q. Because you have not all the items of wages---

MR. McNEIL: You compare the two groups.

MR. McNEIL: Yes, but that is not

MR. McNEIL: The classification is the same each

year and you are comparing the same



MR. KELLOCK: Classification is not the same each year. The Ste Hyacinthe Mill was only an illustration of that.

5 MR. McRUER: Better give us an accurate statement that we can compare on.

MR. KELLOCK: All right, we gave you statement that was agreed on with your auditor.

MR. McRUER: No.

10 THE COMMISSIONER: Do I understand that the classifications may vary from year to year?

MR. KELLOCK: Yes.

Q. Is that correct? A. It is very difficult at this distance of time to separate out wages--

15 THE COMMISSIONER: That is not the question.

Mr. Kellock read about five classifications to you and he said each one of those contains something for wages. Now, do those same classifications appear each year or are the classifications changed from year to year? A. Well, my lord, I would have to check off to 1926.

20 Q. You don't know that? A. No.

MR. McRUER: My friend was making a statement that they did change.

THE COMMISSIONER: What was the Company asked to produce?

30 MR. McRUER: Well, asked to produce those classifications and return was made for these respective years in that classification.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

Illustration of work.

MR. BRYDIE: Better give us an accurate statement.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: All right, we have your statement.

That was agreed on with your editor.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

at this distance of time to separate old wages---

THE COMMISSIONER: That is not the question.

MR. BRYDIE: I am sorry to hear that you are not well.

and he said each one of those contains something for

wages. Now, do those same classifications appear

each year or are the classifications changed from

year to year? A. Well, my lord, I would

have to check off to 1913.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

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MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.

MR. BRYDIE: I am sorry to hear that you are not well.



THE COMMISSIONER: You set the classification?

MR. McRUER: Yes, and they returned the amount paid for each classification for each year.

5 MR. KELLOCK: That is right but the point is that on this sheet there is a line "wages" and certain figures are given. The witness says that under certain other items here, 5 in number, wages are included which are not segregated out.

10 THE COMMISSIONER: That is quite right and we can understand that, provided each year you have the same situation, you have the same peculiar classifications which also include wages. I thought you were  
15 saying that there were different classifications each year.

MR. KELLOCK: What I am saying is this, and perhaps Mr. Lundy will verify it, that so far as the Ste Hyacinthe mill is concerned the classification is  
20 different.

THE WITNESS: Yes.

THE COMMISSIONER: Would that differ from this from year to year or differ from the other mills?

25 MR. KELLOCK: No, that differs, my lord, for 1936 over 1930 and 1926.

Q. Now then, do you know whether or not in those five other items there is any other change of classifications so far as wages are concerned in these  
30 years?

A. I don't know, as regards whether the same items are down here below on the

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Lundy

Q. Now, you set the classification?

A. Yes, and they returned the amount paid.

For each classification for each year.

MR. WILSON: That is right but the point is

that on this sheet there is a line "wages" and certain

figures are given. The witness says that other

certain other items here, 5 in number, wages are

included which are not segregated out.

THE COURT: That is quite right and we can

understand that, provided each year you have the same

classification, you have the same peculiar classification

which also include wages. I thought you were

saying that there were different classifications each

MR. WILSON: What I am saying is this, and perhaps

Mr. Lundy will verify it, that as far as the

classification is concerned the classification is

from year to year or differ from the other mills?

MR. WILSON: No, that differs, my lord, for

1930 over 1930 and 1931.

Q. Now then, do you know whether or not in those

five other items there is any other change of

whether the same items are down here before on the



repairs and miscellaneous mill expense from year to year, I would have to check each year and find out whether classified the same way.

5 Q. Would this be true: that in those years the amounts which would be included for wages in those five items that we mentioned would vary or would necessarily vary from year to year in amounts?

A. There would be some variations, I could not say.

10 Q. If that is so, in order to get a true picture so far as wages alone are concerned you would have to have them segregated out? A. Yes, would have to have them segregated out.

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20 (Page 9775 follows)

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repairs and miscellaneous will expense from year to year, I would have to check each year and find out whether classified the same way.

8. Would this be true; that in those years the amounts which would be included for wages in those five items that we mentioned would vary or would necessarily vary from year to year in amount?

9. There would be some variations, I could not say.

10. If that is so, in order to get a true picture

as far as wages alone are concerned you would have

to have them segregated out? A. Yes, would

have to have them segregated out.

(Page 2775 follows)



Q. Now, Mr. Lundy, I want to go to another question that was asked by his lordship yesterday, and that is, as to whether or not there are any changes in rates of wages paid as between 1930 and 1936 and, if so, the reason for it. Now, I have asked you to prepare a statement showing the rates paid by your Company on standard operations, in connection with piece work, and is that the statement which you have prepared?

A. Yes.

THE COMMISSIONER: That will be Exhibit 724, Statement of Piece Work Rates for Standard Operations.

EXHIBIT 724: Statement of Piece work rates for standard operations.

BY MR. KELLOCK: Q. That is a statement of piece work rates for standard operations, for the Brantford Mill. Is it representative of the other mills, Mr. Lundy? Which mills would that cover? There is just the one mill in Brantford? A. Just one mill in Brantford, yes.

Q. Is that representative? A. Well, where the work is the same all the way through it is the same.

BY MR. McRUER: Q. They are paid higher in Brantford than here? A. I think it is the same; I don't think there is much variation.

BY MR. KELLOCK: Q. Well now, sofar as you can compare piece work, you are limited to the standard operations, is that not so? A. Yes.

Q. In operations other than standard operations, you are dealing with articles which change from time

Lundy

Q. Now, Mr. Lundy, I want to go to another question  
as to whether or not there are any changes in rates  
of wages paid as between 1930 and 1936 and, if so,  
the reason for it. Now, I have asked you to prepare  
a statement showing the rates paid by your Company  
on standard operations, in connection with piece work,  
and is that the statement which you have prepared?  
A. Yes.  
Statement of Piece Work Rates for Standard Operations.  
That was a statement of piece work rates for  
standard operations.  
BY MR. KELLICK: Q. That is a statement of piece  
work rates for standard operations, for the standard  
mill. Is it representative of the other mills,  
Mr. Lundy? Which mills would that cover? There  
is just the one mill in Brantford?  
A. Just one mill  
in Brantford, yes.  
Q. Is that representative? Well, where the  
work is the same all the way through it is the same.  
BY MR. KELLICK: Q. They are paid higher in  
Brantford than here? A. I think it is the same;  
I don't think there is much variation.  
BY MR. KELLICK: Q. Well now, after as you can  
regard piece work, you are limited to the standard  
operations, is that not so?

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to time? A. Yes.

Q. And, necessarily, the piece work has to change with the different kind of article? A. Yes.

Q. Now, this Exhibit shows, that in 1929, for Wooling Skirts, the rate was 2.2.

BY THE COMMISSIONER: Q. Is that cents? A. Yes.

BY MR. KELLOCK: Q. Is that 2.2 cents? A. Yes.

Q. Have you a copy of this before you? A. No,

I have not.

Q. Just look at this copy, and will you please explain to his Lordship that first item there, - Wooling skirts. That shows the years 1929, 1932 and 1936, and you say the rate is what? A. 2.2 cents per dozen.

Q. 2.2 cents per dozen? A. Yes.

Q. So that there has been no change in that rate, and that is a standard operation? A. Yes.

Q. Then, the next item, what is that?

A. Seaming Men's union suits.

Q. What does that "C.C." stand for? A. That is what is called "Closed Crotch."

Q. And the rate? A. 26 cents right across.

BY THE COMMISSIONER: Q. 26 cents for what?

A. For that operation, seaming men's union suits.

Q. That is, for each suit? A. No, no, per dozen. All this is per dozen.

BY MR. KELLOCK: Q. Then the next, seaming the same kind of a suit, with a gusset? A. Yes, .

to times?

A. Yes.

Q. And, necessarily, the piece with has to change

with the different kind of articles?

A. Yes.

Q. Now, this Exhibit shows, that in 1932, for

woolring skirts, the rate was 2.2.

BY THE COMMISSIONER: Is that correct? A. Yes.

BY MR. KILLICK: Is that 2.2 cents? A. Yes.

Q. Have you a copy of this before you? A. No.

I have not.

Q. Just look at this copy, and will you please

explain to his Lordship what that item there, -

woolring skirts. That shows the years 1932, 1933 and

1934, and you say the rate is what? A. 2.2 cents

per dozen.

Q. 2.2 cents per dozen? A. Yes.

Q. So that there has been no change in that rate,

and that is a standard operation? A. Yes.

Q. Then, the next item, what is that?

A. Sewing men's union skirts.

Q. What does that "C.O." stand for? A. That is

the name of the union.

Q. And the rates? A. 1.6 cents right across.

BY THE COMMISSIONER: 1.6 cents for what?

A. For that operation, sewing men's union skirts.

Q. That is, for each skirt? A. No, no.

BY THE COMMISSIONER: All right, is that correct?

BY MR. KILLICK: That is all, thank you.



Q. Apparently you were not making that particular kind in 1929? A. No.

Q. And the rates in 1932 and 1936 were exactly the same? A. Yes.

Q. Then what is the next? A. Button, piecing and backing.

Q. And the rate there is three cents all the way across? A. Yes.

Q. Three cents per dozen? A. Yes, sir, three cents per dozen.

Q. And the next is Sewing on buttons? A. Yes.

Q. And that is 8.6 cents all the way across?

A. That point I might draw attention is 8. and 6/8ths; it is not a decimal; that would apply to the 2.2. It should be 2-2/8.

BY THE COMMISSIONER: Q. That is 1/8 division? A. Yes. The fractions are eighths.

BY MR. KELLOCK: Q. And what is that next item? A. Sewing on buttons, 8-5/8, 8-6/8, and 8-6/8.

Q. And that is a similar operation on a new line which has arisen since 1929? A. Yes.

Q. That is, the next item, and the rate is 7¢ all the way across? A. Yes.

Q. And the next item? A. Button holes, 6-3/8, 6-3/8, and 6-3/8.

Q. Then button holes, new line? A. Yes, - 5-4/8 and 5-4/8, in 1932 and 1936 respectively.

Q. Then the next is Cuffing, at 6 cents all the

Landy

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Q. Apparently you were not making that particular

kind in 1932? A. No.

Q. And the rates in 1932 and 1933 were exactly the

same? A. Yes.

Q. Then what is the next? A. Button, pieceing

and backing.

Q. And the rate there is three cents all the way

Q. Three cents per dozen? A. Yes, sir, three

cents per dozen.

Q. And the next is sewing on buttons? A. Yes.

Q. And that is 2.5 cents all the way across?

A. That point I might draw attention to is 2.5 and 2.5

it is not a decimal; that would apply to the 2.5.

It should be 2-2/5.

BY THE COMMISSIONER: Q. That is 1/8 division?

A. Yes, the fractions are all alike.

BY MR. KELLICK: Q. And what is that next item?

A. Sewing on buttons, 2-2/5, 2-2/5, and 2-2/5.

Q. And that is a similar operation on a new line

with the other items?

A. That is, the next item, and the rate is 2 1/2.

all the way across? A. Yes.

Q. And the next item? A. Button holes, 2-2/5,

2-2/5, and 2-2/5.

Q. Then button holes, new line? A. Yes, -

2-2/5 and 2-2/5, in 1932 and 1933 respectively.

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way across? A. That is sewing on the cuff,  
six cents right across, and this new line, 5-6/8,  
1932 and 5-6/8, 1936.

Q. And the next? A. Seaming Fall Bloomers?  
10-2/8, 10-2/8, and 10-2/8.

Q. And you told his Lordship yesterday that there  
had been a cut in the supervision end of the employees,  
that is, the higher paid employees? A. Yes,  
supervisors and fixers.

Q. Supervisors and fixers? A. Yes.

Q. But there was no general cut in the lower  
classifications? A. No general cut.

Q. Now, I have asked you to compile or prepare  
a statement which is compiled from from K-28, -  
that is one of the forms included in the returns  
to the Commission. That is on your projected basis  
for two weeks, Mr. Lundy.

THE COMMISSIONER: That will be Exhibit 725.

EXHIBIT 725: Statement compiled from Form K-28.

THE COMMISSIONER: Does this refer to any particular  
mill?

MR. KELLOCK: It shows all the Textile fabricating  
mills of the Company, and it shows the years 1926,  
1930, and 1936.

THE COMMISSIONER: Oh, I see, the mills are all  
numbered here.

MR. KELLOCK: On the side, yes, my lord. Your

Q.

Q. That is sewing on the cuff,

six cents right across, and this new line, 5-6/8,

1938 and 5-6/8, 1938.

Q. Now, the next?

A. And the next?

10-2/8, 10-2/8, and 10-2/8.

Q. And you told the leadership that they that there  
and been a cut in the supervision and of the employees

that is, the higher paid employees?

A. Yes.

supervisors and fixers.

A. Yes.

Q. But there was no general cut in the lower

A. Now, I have asked you to compile or prepare

a statement which is compiled from K-28, -

that is one of the forms included in the returns

to the Commission. That is on your projected basis

for two years, Mr. Bundy.

THE COMMISSION: That will be Exhibit 28.

Statement compiled from form K-28.

Q. Now, it shows all the female bookbinding  
work of the company, and it shows the years 1938,

1939, and 1940.

THE COMMISSION: Yes, I will. And also the 1941

and 1942.

THE COMMISSION: Yes, I will. And also the 1943



Lordship appreciates that this is again based on two weeks' basis and not actual.

HIS LORDSHIP: Yes.

5 BY MR. KELLOCK: Q. It shows the number of employees in 1926, in Mill No. 1, as 345; the total wages paid were \$229,950, and the averagewage per year as \$666.52.

10 In 1930, the number of employees were 210; the total wages paid were \$175,525; and the average rate was \$835.83.

15 In 1936, the number of employees were 263; the total wages paid were \$192,900; and the average rate per year was \$733.46.

Now, that shows, Mr. Lundy, that as against an average wage in that mill in 1926 of \$666.52 the average wage in 1936 was \$733.46? A. Yes.

20 Q. In 1930 the average wage had been \$835.83? A. Yes.

25 Q. Have you any explanation, so far as that mill is concerned, as to the difference between 1930 and 1936? A. Well, in 1936 as compared with 1930, they were making a greater proportion of cheaper lines of goods. And, coupled with that fact, was the trend towards automatic machinery as compared with non-automatic machinery in 1930.

30 Q. What is the effect of that? You say the trend towards automatic machinery? A. Well, automatic machinery calls for less skill in help.

Handy

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relationship appreciated that this is again based on

two weeks' basis and not actual.

HIS LORDSHIP: Yes.

BY MR. KELLER: It shows the number of employees in 1930, in Mill No. 1, as 345; the total wages paid were \$132,900, and the average wage per year as

In 1930, the number of employees were 310; the total wages paid were \$125,225; and the average rate was \$403.95.

In 1930, the number of employees were 300; the total wages paid were \$122,900; and the average rate per year was \$409.67.

Now, that shows, Mr. Handy, that as against an average wage in that mill in 1925 of \$386.22 the average wage in 1930 was \$409.67.

A. Yes.

is concerned, as to the difference between 1925 and 1930?

of goods. And, coupled with that fact, was the trend towards automatic machinery as compared with non-

is the effect of that? You say the trend towards automatic machinery?



Q. And that tends to depress the wage paid?

A. Yes.

Q. Because less skill is required? A. Yes.

5 Q. Then you say, that in 1936 the mill was working on a cheaper article than in 1930? A. Yes.

Q. And what is the effect of that? How does that reflect itself in the wage paid? A. Well, I am afraid I misunderstood you, Mr. Kellock. I thought that was the same question as before. Was the first comparison with 1936 and 1930?

10 Q. 1936 and 1930, yes. One of the things you point to in 1936 as against 1930 is that the mill was working on a cheaper class of product? A. Yes.

15 Q. And my question was, how does that reflect itself in a lower earning? A. Well, it reflects it self in the introduction of this automatic machinery to produce the cheaper article.

20 Q. I see, the one is the complement of the other. A. Yes.

Q. And have you any other comment to make, with regard to that mill, as between 1930 and 1936?

25 A. There were some adjustments in small groups of piece workers some time between 1930 and 1936.

Q. What are you speaking about more particularly?

A. If I remember correctly, it was what we call loopers.

30 Q. Yes? A. They are people who join the toes of the hosiery after it is knit. They still have a

Q. And that tends to depress the wage paid?

A. Yes.

Q. Then you say, that in 1938 the mill was working

on a cheaper article than in 1930?

A. Yes.

Q. And what is the effect of that? How does that

reflect itself in the wage paid? A. Well, I am

afraid I misunderstood you, Mr. Kellock. I thought

that was the same question as before. Was the

first comparison with 1930 and 1938?

A. 1930 and 1938, yes. One of the things you

point to in 1938 as against 1930 is that the mill

was working on a cheaper class of products? A. Yes.

Q. And my question was, how does that reflect

itself in a lower earnings? A. Well, it reflects

itself in the introduction of this automatic machine

to produce the cheaper article.

Q. I see, the one is the complement of the other.

A. Yes.

Q. And have you any other comment to make, with

reference to that mill, or between 1930 and 1938?

A. There were some adjustments in small groups of

piece workers some time between 1930 and 1938.

Q. If I remember so correctly, it was what we call

loopholes.

A. Yes.



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Lundy

very fair wage, but that may have some effect on this average.

Q. I am not sure that I understand your point, Mr. Lundy. You say these loopers. What about these loopers? A. Well, there was a reduction in their piece-work rates.

Q. There was a reduction in connection with the loopers? A. Yes.

Q. Is this a mill that you have had running for a great number of years? A. Oh, yes.

Q. And have you any proportion of older employees in it? A. I think there is one department there which is composed principally of older women, that is, menders and overlookers.

Q. Yes? A. There is quite a group of them there.

Q. Does that have any bearing on the lower average in 1936? A. I don't think it would affect the

average very much. These older people, I recall, about two years ago received quite an advance in their piece work rate.

Q. I see. Why was that? A. As they get older, well, they can do less and we brought up their pay.

Q. To enable them to earn more? A. To enable them to keep on a level keel, anyway.

Q. Now, I notice, Mr. Lundy, in connection with that mill, the number of employees in 1930 was 210, while in 1936 it was 263. That is, you had 53 more employees there in 1936. What kind of employees

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very fair wage, but that may have some effect on average.

Q. I am not sure that I understand your point, Mr. Lundy. You say these loopers. What about the loopers?

A. Well, there was a reduction in the loopers.

Q. There was a reduction in connection with the loopers?

Q. Is this a mill that you have had running for a great number of years?

A. Oh, yes.

Q. And have you any proportion of older employees in it?

A. I think there is one department where

there is a high proportion of older employees, the men and overlookers.

Q. Yes? A. There is quite a group of them there.

Q. Does that have any bearing on the loopers?

A. I don't think it would affect the loopers.

Q. These older people, I recall, were paid about two years ago received quite an increase in their piece work rate.

A. As they get older, well, they can do less and we brought up their pay.

Q. To enable them to earn more?

A. To enable them to earn more.

Q. To enable them to earn more?

A. To enable them to earn more.

Q. To enable them to earn more?

A. To enable them to earn more.

Q. To enable them to earn more?



would that be? Would that be the higher paid employees, or lower paid employees? A. In 1930; this is 1930, is it?

Q. Yes? A. The operations were contracting, and as the help went down we only retained the oldest of our employees, the most skilled of our employees, and the oldest.

Q. And the higher paid? A. Well, the naturally the older employees were the higher paid; the most experienced were the higher paid, but not necessarily the oldest in point of age. In 1936 the mill was run at a larger rate and it is quite possible there are more learners in the mill than there would be in 1930.

Q. Would you have any increase in foremen in 1936 as against 1930? A. Practically none.

BY MR. McRUER: Well, your sales were about the same in 1935 as 1936.

MR. KELLOCK: One thing at a time, please. Just let us come to it now.

--

--

Would that be the higher paid employees?  
A. In 1930; this is

1930, is it?

A. The operations were not...  
and as the help went down we only retained the oldest  
of our employees, the most skilled of our employees,  
and the oldest.

And the higher paid?  
the older employees were the higher paid; the most  
experienced were the higher paid, but not necessarily  
the oldest in point of age. In 1930 the mill was  
run at a larger rate and it is quite possible there

Would you have any increase in turnover in 1930  
as against 1929? A. Practically none.

BY MR. MORSE: Well, your sales were about the  
same in 1929 as 1930.

MR. ELLIOTT: One thing at a time, please. Just  
let us come to it now.



Mr. Lundy, you say you have the same number of foremen and therefore you must have, as you say, added learners-

MR. McRUER: Does he say he did or he must have?

BY MR. KELLOCK: Q. Did you say that, Mr. Lundy?

5 A. I said it is quite probable in 1936 we would have more learners in the mill than we would have in 1930 when the mill was contracting.

10 Q. But I understand you to say you would have the same number of foremen? A. Practically the same number of foremen.

Q. And foremen, I suppose, were paid more than the ordinary mill worker? A. Oh yes.

15 Q. Then, in 1930 the higher money paid the foremen and the older and more skilled employees would have ~~more~~ more effect on the average as against 1936 where you have a large increase in the number of employees but the same number of foremen; would that be right? A. That is correct.

20 Q. Now, going to number 2; in 1926 you had 154 employees, the wages paid are \$100,550, the average wage per year \$652.92. In 1930 the number of employees was 174, the total wages paid \$112,500 and the average wage \$646.55. That is within a  
25 few dollars of 1926. In 1936 you had 163 employees, the wages paid were \$112,575 and the average wage was \$690.64, and that figure is more than either 1930 or 1926; is that right? A. Yes, sir.

30 Q. Now, number 3; in 1926 you had 95 employees, the wages paid were \$66,200 and the average wage was

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Mr. Bradie, you say you have the same number of foremen and therefore you must have, as you say, added 100 men. Does he say he did or he must have? BY Mr. Y. MASON: Did you say that, Mr. Bradie? A. I said it is quite probable in 1930 we would have more foremen in the mill than we would have in 1926.

Q. But I understand you to say you would have the same number of foremen? A. Practically the same number of foremen.

Q. And foremen, I suppose, were paid more than the ordinary mill workers? A. Oh yes.

Q. Then, in 1930 the higher money paid the foremen and the other and more skilled employees would have more effect on the average as against 1926 and you have a large increase in the number of employees but the same number of foremen; would that be right?

Q. Now, going to number 2; in 1926 you had 154 employees, the wages paid are \$190,250, the average wage per year \$652.92. In 1930 the number of employees was 174, the total wages paid \$112,500 and the average wage \$646.55. That is within a few dollars of 1926. In 1926 the average wage the wages paid were \$112,575 and the average wage was \$630.64, and that figure is more than either 1926 or 1927; is that right? A. Yes, sir.

Q. Now, going to number 3; in 1926 you had 154 employees, the wages paid were \$66,200 and the average wage

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\$696.84. In 1930 you had 114 employees, wages paid \$89,225, and the average wage \$782.67. In 1936 the number of employees was 134, the wages were \$84,825 and the average was \$633.02. Now, as between 1926

5 and 1930 the average went up very considerably and the average is down in 1936. Have you any explanation as to why that should be, Mr. Lundy?

A. There has been a change in the description of goods produced at that mill. In 1930 we were producing 10 wool sweaters, bathing suits, of various types. In 1936 we were producing a great deal cheaper line of goods, what is called in the trade cotton sports wear, coarser goods, less operations on them, and I think 15 it would be correct that the wage content in the value of those goods would be less than in the value of wool sweaters and bathing suits which we were producing six years before.

Q. I notice that pretty much the same situation 20 there exists as in the case mill number 1. That is, in 1930 you had 114 employees whereas in 1936 you have 134, and would there be any increase in foremen or supervision to handle the increased number of employees?

A. I would have to check that, sir, because there has 25 been a change in the superintendence of that mill.

Q. I should not have said supervision because this statement excludes supervision altogether. What about the foremen? A. Overseers and fixers would be practically the same.

30 Q. Well, the higher rates paid to them in 1930 would

\$995.84. In 1950 you had 114 employees, wages paid  
\$85,225, and the average wage \$752.27. In 1955 the  
number of employees was 124, the wages were \$84,225  
and the average was \$679.02. Now, between 1950  
and 1955 the average went up very considerably and  
the average in 1955 was \$752.27. Does that explain  
as to why that should be, Mr. Lundy?  
A. There has been a change in the description of goods  
produced at that mill. In 1950 we were producing  
wool sweaters, bathing suits, of various types. In  
1955 we were producing a great deal cheaper line of  
goods, what is called in the trade cotton sports wear  
casual goods, less operations on them, and I think  
it would be correct that the wage content in the value  
of these goods would be less than in the value of  
wool sweaters and bathing suits which we were producing  
six years before.  
Q. I notice that pretty much the same situation  
there exists as in the case mill number 1. That is  
in 1950 you had 114 employees whereas in 1955 you had  
124, and wages paid to you increased in between to  
supervision to handle the increased number of employees  
A. I would have to check that, etc., because there has  
been a change in the superintendence of that mill.  
Q. I did not have said supervision because a  
different employee organization was involved.  
A. Overboard and the  
will be generally the same.  
Q. Well, the higher wages paid to them in 1950

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have a bigger effect on the average than in 1936; would that be true? A. That is correct.

Q. Then, number 5: in 1926 you had 259 employees, the wages were \$141,350 and the average wage was \$545.75. In 1930 you had 215 employees, the wages were \$135,520 and the average wage was \$630.33. In 1936 you had 217 employees, the wages paid were \$137,967 and the average was \$635.79, so that so far as that particular mill is concerned there is a uniform increase all the way through and the wages now being paid are much in excess of 1926 and in excess of those paid in 1930? A. Slightly, sir; that is a very standardized operation.

Q. So that the condition - it is easier to make a comparison--

MR. McRUER: Which mill is this?

MR. KELLOCK: Number 5. Q. Then, number 8, in 1926 you had--

MR. McRUER: Pardon me, in number 5 they are not paying more now than they were in 1926.

MR. KELLOCK: The average has gone up consistently.

MR. McRUER: Oh, the average, yes.

BY MR. KELLOCK: Q. Number 8; in 1926 you had 791 employees who were paid \$472,945 and the average was \$597.91. In 1930 the employees were 678, they were paid \$439,945 and the average is \$648.89. In 1936 the employees were 708, the wages paid \$454,565 and the average \$642.04, so that as between 1930 and 1936 it is practically the same? A. Very slight

have a bigger effect on the average than in 1935;  
That is correct.

Q. Then, number 5: in 1935 you had 250 employees  
and the wages were \$141,300 and the average was \$565.20.

A. Yes. In 1930 you had 215 employees, the wages  
were \$135,200 and the average was \$629.33.

Q. You had 217 employees, the wages paid were  
\$137,967 and the average was \$635.79, so that so far

as that particular mill is concerned there is a  
tendency all the way through and the wages now being

paid are much in excess of 1935 and in excess of the  
average of 1935.

A. Exactly, sir; that is  
a very standardized operation.

Q. So that the condition - it is easier to make  
a comparison--

A. Yes, which mill is this?  
Mr. Bradie: Number 5. The 11, number 5, in 1935

you had--  
A. Number 5: Payroll was, in number 5 they are not  
paying more now than they were in 1935.

Mr. Whitlock: The average has gone up considerably.  
Mr. McNamee: Oh, the average, yes.

BY Mr. Whitlock: Q. Number 6: in 1935 you had 701  
employees who were paid \$478,945 and the average was

\$683.37. In 1930 the employees were 670, the wages  
paid \$430,910 and the average was \$643.30. In 1935  
the employees were 708, the wages paid \$484,965 and the  
average \$685.04, so that as between 1930 and 1935 it



difference.

Q. And they are both up over 1926? A. Yes.

Q. Then, 9-A; in 1926 you had 72 employees, they were paid \$57,450 and the average was \$797.92. In 1930 you had 74 employees, paid \$61,250 and the average was \$827.70. In 1936 there were 112 employees, the wages were \$86,725 and the average was \$774.33. Now, there is a large increase, a substantial increase in 1930 over 1926 and it is down some in 1936. Is there any explanation there for that change as between 1930 and 1936, Mr. Lundy?

A. At this time in 1936 we are producing at that mill a great many coarser cheaper yarns than we did in 1930. That would have a tendency to lower the average wage.

Q. And I see that in 1930 there were only 74 employees while in 1936 there were 112. Would there be any increase in foremen or fixers?

A. No, it would be the same.

Q. So that the same thing applies there?

A. Yes.

Q. Now, 9-D; what mill is that?

A. That is the dye-house in this place.

Q. There were 18 employees in 1926. I will just read the averages. The average in 1926 was \$750.00; the same number of employees in 1930 and the average was the same and in 1936 you had 28 employees and the average was down about \$3.00. Have you any comment to make on that, Mr. Lundy?

A. No, that is a very standardized operation. The figures are about

Q. And they are born up over 1955?  
A. Yes.  
Q. Now, 7-4; in 1955 you had 75 employees, they  
were paid \$27,400 and the average was \$367.45. In  
1950 you had 74 employees, paid \$21,100 and the average  
was \$283.70. In 1955 there were 118 employees, the  
wages were \$36,700 and the average was \$311.85. Now,  
there is a large increase, a substantial increase in  
1950 over 1955 and it is also same in 1955. Is there  
any explanation there for that change in between 1950  
and 1955, Mr. Brydie?  
A. At this time in  
1955 we are working at what will be a great many  
corner changes years than we did in 1950. That you  
have a tendency to lose the average wage.  
Q. And I see that in 1950 there were only 74  
employees while in 1955 there were 118. Would there  
be any increase in turnover or turnover?  
A. No, it would be the same.  
Q. So that the same thing applies there?  
A. Yes.  
Q. Now, 9-10; what will it be that?  
A. That is the dye-house in this place.  
Q. There were 18 employees in 1955. I will first  
ask the average. The average in 1955 was \$3750.00;  
the same number of employees in 1950 and the average  
was the same and in 1955 you had 28 employees and the  
average was \$3750.00. Have I any comment  
to make on that, Mr. Brydie?  
A. No, that is  
a very standardized operation. The figures are

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the same right across.

Q. Except that the number of employees goes up very substantially in 1936 as against 1930. Would the same situation prevail as to foremen and so on?

A. Yes.

Q. Then, the next one is 963 & P; what is that?

A. That is the power and general service division of our mills here. That includes the mechanical shop, the machine shop and things like that.

Q. I see in 1926 there were 24 employees and the average was \$1,013.54. In 1930 there were 27

employees and the average was \$1,002.78, not much difference. In 1936 there were 23 employees and the

average was \$956.96. Have you any comment to make on that situation? A. May I ask a question of Mr. Kenerson?

Q. Yes, I think so. A. I cannot give you any off-hand explanation as to that, sir.

Q. Was there any change in the amount paid to the master mechanic? A. Well, I don't think he is included.

Q. You don't think he is included?

A. No.

Q. Now, I am showing you here in connection with that a statement which is said to be the actual instead of the projected wages, the actual wages paid to every employee in that department for the years 1926, 1930 and 1936; would that be right?

A. Yes, that is correct. What I notice about that,

the same right across.

very substantially in 1986 as against 1980. Would

the same situation prevail as to foremen and so on?

A. Yes.

Q. Then, the next one is 908 & P; what is that?

A. That is the power and general service division of

our mill here. That includes the mechanical shop,

the machine shop and things like that.

A. I see in 1986 there were 84 employees and the

average was \$1,013.54. In 1980 there were 84

employees and the average was \$1,002.78, not much

difference. In 1986 there were 88 employees and

average was \$956.86. Have you any comment to make

on that situation?

Q. Mr. Kemerson?

A. Yes, I think so.

any off-hand explanation as to that, sir.

Q. Was there any change in the amount paid to the

master mechanic?

A. Well, I don't think he

is included.

A. No.

Q. Now, I am showing you here in connection with

that a statement which is said to be the actual

instead of the projected wages, the actual wages paid

1980, 1981 and 1982; would that be right?

A. Yes, that is correct.



if I may make a comment--

Q. You might summarize that for his lordship.

THE COMMISSIONER: Is this something new?

5 MR. KELLOCK: Yes, it should perhaps be attached  
in connection with that particular department.

THE COMMISSIONER: What is it you want done?

MR. KELLOCK: The witness wanted to make an  
explanation about that. What do you say?

10 THE COMMISSIONER: All right, you can take your  
copy now. This is in connection with 9GS & P?

MR. KELLOCK: Yes, my lord, the mechanical  
department. These are actual rates of wages.

THE WITNESS: I am not quite clear on this, sir.

15 THE COMMISSIONER: They are all time workers?

BY MR. KELLOCK: Q. They are all time, is that  
right, Mr. Lundy? A. Yes.

Q. And the situation appears to be that there is  
very little change downward and most of the change, if  
20 any, is upward.

BY THE COMMISSIONER: Q. Well, it looks at first  
sight as if none were getting less than 1926 and some  
are getting? A. Except the first name.

25 Q. Except the first, Mason?

A. He is the carpenter.

BY MR. KELLOCK: Q. That seems to show that this  
projected basis does not give the proper result?

A. It does not reflect the wages.

30 MR. McRUER: I think your projected basis is  
about \$300,000 out on two years.

MR. KELLOCK: Well - now, I want to deal with the

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Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

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Q. Now, what was the first time you saw him?

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Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?

A. The first time I saw him was in 1966.

Q. Now, what was the first time you saw him?



next one, Mr. Lundy, that is 9-59?

A. That is not comparable; it is simply a shipping room which has been discontinued.

Q. Therefore we will eliminate that. That is just one year. The next is 10.

A. That is the Watson Mill of Brantford.

Q. That shows in 1926 there were 35 employees and the average was \$757.14? A. No, 294, you are on the wrong line.

Q. 1926, the employees were 294 and the average was \$668.54. In 1930 the employees were 423 and the average was \$667.14, practically the same. In 1936 the employees were 296 and the average was \$663.01. There is not much difference there to speak about? A. I cannot explain that slight difference.

Q. Now, number 12; what mill is that?

A. The Waterford Spinning Mill.

Q. In 1926 there were 41 employees and the average was \$516.46. In 1930 there were 73 employees and the average went up to \$543.84. In 1936 there were 146 employees and the average went up to \$558.05. So that is an improvement all the way along the line. The next is 13H & G; what is that? A. That is the silk knitting plant at London.

Q. Now, in 1926 you had 106 employees and their average was \$754.01. In 1930 the employees were 96 and the average was \$1,266.41. In 1936 you had 115 employees and the average was \$912.17. Now, the

next one, Mr. Lundy, that is 9-32?

A. That is not comparable; it is simply a shipping to which has been discontinued.

A. Therefore we will eliminate that. That is

just one year. The next is 10.

A. That is the Watson Mill of Montreal.

Q. That shows in 1936 there were 35 employees and

the average was \$757.14? A. No, 334, you are

on the wrong line.

A. 1936, the employees were 334 and the average

was \$757.14. In 1930 the employees were 443 and

the average was \$607.14, practically the same. In

1936 the employees were 336 and the average was

\$757.14. There is not much difference there is

speaking about? A. I cannot explain that

Q. Now, number 12; what mill is that?

A. The Waterford Spinning Mill.

Q. In 1936 there were 41 employees and the average

was \$757.14. In 1930 there were 73 employees and

the average went up to \$848.84. In 1936 there were

146 employees and the average went up to \$888.05. Is

that is an improvement all the way along the line. The

next is 13H & G; what is that? A. That is

the silk knitting plant at London.

Q. Now, in 1936 you had 106 employees and their

average was \$757.14. In 1930 the employees were

96 and the average was \$1,366.41. In 1936 you had

96 employees and the average was \$12.14. Now, the



average in 1936 was substantially more than 1926 but there had been quite a drop as against 1930; what do you say about that, Mr. Lundy? A. In 1926

there were very few full fashioned machines. That was the year we started to install full fashioned machines. We were doing circular knitting there at that time which is a much less skilled operation.

Q. Yes. A. In 1930 we had our machines practically installed and the wages of full fashioned knitters were practically at their top peak. As I testified yesterday when full fashioned knitting was first started there were very few operators in the country. As more plants were installed a great many young men learned the art of knitting on full fashioned machinery and as the depression of 1932 and 1933 came along there was really a surplus of that type of help on the market. In other words, the full fashioned wages, you might say, fell of their own weight, as it were.

Q. Was that peculiar to your mills or was that general in the industry? A. Quite general in the industry; our installation is a small installation as compared with other manufacturers, quite a small installation, and what is general in the industry becomes general in our plant.

Q. Now, the total situation then shows that your average in 1926 of all these mills was \$644.52; in 1930 it went up to \$717.05 and in 1936 it was \$679.28, and you have explained as to how that change there has

average in 1935 was substantially more than 1934 and  
there had been quite a drop as against 1930; what  
you say about that, Mr. Brydie?  
There were very few full fashioned machines. The  
year we started to install full fashioned  
machines. We were doing circular knitting then  
at that time which is a much less skilled operation  
A. Yes. In 1930 we had our own  
practically installed and the wages of full fashion  
knitters were practically at their top peak.  
testified yesterday when full fashioned knitting was  
first started there were very few operators in the  
country. As more plants were installed a great  
many more full fashioned machines were installed in 1935  
fashioned machinery and as the depression of 1932  
and 1933 came along there was really a surplus of  
that type of help on the market. In other words,  
the full fashioned wages, you might say, fell off  
that was that peculiar to your mill or was that  
general in the industry?  
A. Quite general  
in the industry; our installation is a small  
installation as compared with other manufacturers,  
quite a small installation, and what is general in  
the industry becomes general in our plant.  
A. Now, the total situation then shows that you  
average in 1935 of all these mills was \$44.52; in  
1930 it went up to \$47.05 and in 1936 it was \$49.90  
and you have explained as to how that change there

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taken place; were those years 1930 to 1936 depression years in your industry? A. 1930 was the beginning of the depression in the textile business.

Q. And you are getting out of that situation now--

MR. McRUER: I thought you were going to suggest he was getting out of answering your question.

MR. KELLOCK: No.

THE WITNESS: I was not through, sir, only you started to laugh and I didn't want to interrupt you.

Q. Just complete your answer, Mr. Lundy?

A. 1936, the business this year - of course, the year is not completed but the business of the early part of the year was better than in 1935 so that we feel we are on the upward trend.

Q. I suppose, Mr. Lundy you are familiar, or are you, with the situation in other industries and the trend of wages over the years?

A. You mean other textile industries?

Q. Well, other textile industries or other industries generally speaking. What I was going to ask you was do you know, in your experience, of many individual mills or other industries which at the end of the years of depression can show an average wage paid to their workers that is in excess of 1926 which was more or less a standard year?

A. I don't know of any specific instances, sir, but taking everything into consideration 1926 is an economic index year, I believe. 1930 is the beginning of the depression and there was a carry-over from 1928 and 1929, and 1936 we are gradually improv-

taken place; were those years 1930 to 1935 approx-  
years in your industry?  
beginning of the depression in the textile industry  
of. And you are getting out of that situation  
Mr. Brydie: I think you were going to say  
was left out of everything your question.  
Mr. Brydie: I was not through, sir, only you  
started to laugh and I didn't want to interrupt  
I just wanted your answer, Mr. Brydie?  
A. Yes, the business this year - of course, the  
year is not completed but the first part of the year  
part of the year was better than in 1935 so the  
feel we are on the upward trend.  
Q. I suppose, Mr. Brydie you are familiar, or  
you, with the situation in other industries and  
trend of wages even this year?  
A. You mean other textile industries?  
Q. Yes, other textile industries as well?  
I suppose generally speaking. That I was going  
ask you was do you know, in your experience, of  
individual mills or other industries which at the  
end of the years of depression was down or even  
was paid to this extent that is in excess of  
which was one or two a second year?  
A. I don't know of any specific industries, but  
taking everything into consideration 1935 is an  
index year, I believe. 1930 is the  
beginning of the depression and there was a year  
from 1929 and 1932, and 1933 we are probably in

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the trend, the trend is improving. I would think, sir, that that is a creditable showing, if I might venture to express an opinion.

5 Q. I would have thought so. I just wondered if you would confirm that. Now, I ask of you, Mr. Lundy, to prepare the same sort of information--

MR. MORUER: What exhibit number was this?

THE COMMISSIONER: 725, that is part of 725.

10 BY MR. KELLOCK: Q. I ask of you to prepare the same sort of information but dividing the story up as between millworkers up to and including \$1,000 a year and over \$1,000 a year, and mechanical staff on the same basis as your mill supervision and  
15 clerical staff on the same basis for the same years?

A. What was this taken from?

Q. This also is on the projected basis.

THE COMMISSIONER: Is this a new exhibit?

MR. KELLOCK: Yes, my lord.

20 THE COMMISSIONER: 726.

EXHIBIT 726: Statement of number of employees up to and including \$1,000 a year and over \$1,000 a year with amount of wages per year and average wage per year.

25 BY MR. KELLOCK: Q. Without reading the full details, Mr. Lundy, I see that it shows that for the year 1926 of mill workers earning up to and including \$1,000 there were 2280. Their average wage per annum was \$617.53. In 1930 it rose to \$666.24 and in 1936 it was down slightly to \$645.07. The  
30 10 earning over \$1,000 per year, they averaged in

I would like to know the trend, the trend is improving.  
I think that it is a reasonable estimate, it is a  
venture to express an opinion.  
I would have thought so. I just wanted  
to ask you.

Mr. Brady, to prepare the same sort of information  
as you have prepared for the Commission.

THE COMMISSIONER: Yes, that is part of 726.

BY MR. BRIDGEMAN: I ask of you to prepare the

same sort of information but dividing the story up

as between millwrights up to and including \$1,000

a year and over \$1,000 a year, and mechanical

on the same basis as your mill supervision and

without any of the same basis for the same year.

A. That was this trend from?

Q. This also is on the projected basis.

THE COMMISSIONER: Is this a new exhibit?

BY MR. BRIDGEMAN: Yes, it is.

THE COMMISSIONER: 726.

EXHIBIT 726: Statement of number of employees

up to and including \$1,000 a year

and over \$1,000 a year with amount

of wages per year and average wage

per year.

IT IS REQUESTED THAT THE COMMISSIONER

STATE THAT THE COMMISSIONER IS ASKING FOR THE

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1926 \$1089.00, in 1930 the average was \$1266.48  
and in 1936, \$1160.54.

(Page 9796 follows)

THE ACCOUNTS OF THE YEAR 1914  
AND THE BALANCE SHEET

(From Page 11)

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Q. The total figure is, average of 1926, \$619.59. In 1930 went up to \$690.27 and 1936 \$655.61. Now, your mechanical staff, those earning up to and including \$1,000 per year, the average in 1926 was \$911.33. In 1930 it was \$900.05, and in 1936 it was \$844.40, and you have already dealt with that in the other exhibit. Those over \$1,000 per year, the average in 1926 was \$1,273.18. In 1930, \$1,420.65, and in 1936 \$1,371.73, the total averages being of both those classifications: 1926, \$644.52. In 1930 \$717.05, and in 1936 \$679.28. And then your Supervision and Clerical is dealt with in a separate heading, and I want to read that. That is ---

THE COMMISSIONER: How do you get that second line in the first, under mill workers, \$1,000 a year?

MR. KELLOCK: Those earning over \$1,000 a year?

THE COMMISSIONER: Yes, over \$1,000 per year.

MR. KELLOCK: 1936, 10 employees. I am sorry I do not understand your Lordship's question.

THE COMMISSIONER: I do not understand your figures. You say there are ten who earn over a thousand dollars a year?

MR. KELLOCK: Yes.

SECRETARY WHITELEY: Unless they know what they actually earned how can they say they earned more than \$1,000 a year? It is what they would have earned if they worked 50 weeks.

January

4. The total figure is, average of 1936, 1937 and 1938 went up to \$840.87 and 1938 \$833.61. Your mechanical staff, those earning up to and including \$1,000 per year, the average in 1936 was \$811.38. In 1938 it was \$800.05, and in 1939 it was \$844.40, and you have already dealt with it in the other exhibit. Those over \$1,000 per

year, the average in 1936 was \$1,378.18. In 1938 \$1,480.65, and in 1939 \$1,371.75, the total average being of both those classifications: 1936, \$844.32 in 1938 \$879.28, and in 1939 \$879.28. And then

your supervision and clerical is dealt with in a separate heading, and I want to read that. That

THE COMMISSIONER: Now do you get that second line in the first, under mill workers, \$1,000 a year

MR. KILLOCK: Those earning over \$1,000 a year

THE COMMISSIONER: I do not understand your figure

MR. KILLOCK: Yes.

MR. KILLOCK: Yes.

THE COMMISSIONER: I do not understand your figure



MR. KELLOCK: It is all done that way.

SECRETARY WHITELEY: The division there between those two groups has no validity at all.

5 THE COMMISSIONER: It is all on the supposition that they kept on earning at the rate of those two weeks during the year.

MR. KELLOCK: It is the best we can give you.

MR. McRUER: We might have had the actual earnings and average number of workers up to 1935.

10 MR. KELLOCK: We might have but we settled on that.

MR. McRUER: There is no ---

MR. KELLOCK: What is the fact? Ask Mr. Howson, he is sitting beside you.

15 MR. McRUER: As far as making an informative statement as to the average amount paid employees between 1930 and 1935 - you know what you have paid, you know the number of employees you have got and you know what the average is and you could tell us.  
20 It is all in your record.

MR. KELLOCK: If you will ask Mr. Howson how this basis was kept set on.

25 THE COMMISSIONER: This is only worth what it is worth.

MR. KELLOCK: That is all.

MR. McRUER: Wasting time when we could have the actual facts.

30 MR. KELLOCK: You ask Mr. Howson why I did not get i

THE COMMISSIONER: However, if it was asked for you are quite justified in using it. As I say,

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MR. KELLOCK: It is all done that way.

those two groups has no validity at all.

THE COMMISSIONER: It is all on the opposite  
that they kept on earning at the rate of those

weeks during the year.

MR. KELLOCK: It is the best we can give you

MR. MORRIS: We might have had the actual

and average number of workers up to 1935.

MR. KELLOCK: We might have but we settled on

MR. MORRIS: There is no ---

MR. KELLOCK: What is the fact? Ask Mr.

he is sitting beside you.

MR. MORRIS: As far as making an informative

ment as to the average amount paid employees betw

1930 and 1935 - you know what you have laid, you

know the number of employees you have got and you

know what the average is and you could tell us.

It is all in your record.

MR. KELLOCK: If you will ask Mr. Howson how t

data was kept set on.

THE COMMISSIONER: This is only worth what it

MR. KELLOCK: That is all.

MR. MORRIS: Wasting time when we could have th

actual facts.

MR. KELLOCK: You ask Mr. Howson why I did not

THE COMMISSIONER: However, if it was not the



as actual information it is not very valuable.

MR. HOWSON: The whole trouble, Mr. Kellock was objecting to the comparison of the classification as they appear on the returns now.

MR. KELLOCK: No, I am not. I am simply pointing out the facts.

MR. HOWSON: You are claiming we cannot compare those wages from year to year as being representative of a certain class.

MR. KELLOCK: That is right. These wages on this other sheet I can.

MR. HOWSON: This information is perfectly all right as long as the class is the same from year to year. We only learned to-day the classifications are different.

THE COMMISSIONER: That is on another aspect of the matter.

MR. KELLOCK: Q. You prepared a statement taking 1926, which is the year taken by the Dominion Bureau of Statistics as the index year so far as the cost of living is concerned, and prepared a comparison showing what the wage actually paid to-day is equal to on the basis of the cost of living index, and is the statement that you have prepared? A. Yes, sir.

THE COMMISSIONER: Let me see, this is a calculation on a cost of living index. You mean to say in all Canada ---

MR. KELLOCK: No, just Penman's Limited, and it is,

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Lundy

as actual information it is not very valuable.

MR. HOBSON: The whole trouble, Mr. Bellack was

objecting to the comparison of the classification

as they appear on the returns now.

MR. KELLICK: No, I am not. I am simply pointing

out the facts.

MR. HOBSON: You are claiming we cannot compare

those wages from year to year as being representative

of a certain class.

MR. KELLICK: That is right. These wages on

this other sheet I see.

MR. HOBSON: This information is perfectly

all right as long as the class is the same from year

to year. We only learned to-day the classifications

are different.

THE COMMISSIONER: That is on another aspect of

the matter.

MR. KELLICK: O. You prepared a statement taking

1925, which is the year taken by the Dominion Bureau

of Statistics as the index year so far as the cost

of living is concerned, and prepared a comparison

showing what the wage actually paid to-day is equal

to on the basis of the cost of living index, and is

the statement that you have prepared? A. Yes, sir.

THE COMMISSIONER: All right, this is a

question on a cost of living index. You mean to say



again, based on the same basis, that is, two weeks in each year.

5 THE COMMISSIONER: Is not the word "Presumptuous" there?

MR. KELLOCK: Yes, it is presumptuous.

THE COMMISSIONER: It is just computed average. Better strike out the word "actual" and put "computed"

MR. KELLOCK: It speaks for itself.

10 EXHIBIT 727: Statement prepared by Penman's Limited, covering comparison years 1926, 1930 and 1936, Cost of living index to wages.

THE COMMISSIONER: Is there any real value to this at all?

15 MR. KELLOCK: Well, my lord it shows this:  
We have assumed more or less all the way through, so far as my connection with the Commission is concerned, that there has been an increase in the purchasing power of the dollar so far as the cost of  
20 living is concerned.

THE COMMISSIONER: Is that true to-day?

MR. KELLOCK: Yes. This shows insofar as we can  
25 show on these figures, your lordship sees that you take 1936, the index ---

THE COMMISSIONER: You say there is an increase in the purchasing power of the dollar?

MR. KELLOCK: As against 1926.

30 THE COMMISSIONER: Not now, as against 1935, for instance.

MR. KELLOCK: I would not say that.

INQUIRY

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again, based on the same basis, that is, two weeks

THE COMMISSIONER: Is not the word "presumptive"

correct?

MR. MILLER: Yes, it is presumptive.

THE COMMISSIONER: It is just computed average

never strikes out the word "actual" and put "computed"

Statement prepared by Hennan's  
Limited, 1922, 1923 and 1924.  
Cost of living index to wages.

THE COMMISSIONER: Is there any real value to this

at all?

MR. MILLER: Well, my lord it shows this:

We have assumed more or less all the way through,

so far as my connection with the Commission is

concerned, that there has been an increase in the

purchasing power of the dollar so far as the cost of

living is concerned.

THE COMMISSIONER: Is that true to-day?

MR. MILLER: Yes. This shows insofar as we can

show on these figures, your lordship sees that you

take 1926, the index ---

THE COMMISSIONER: You say there is an increase

in the purchasing power of the dollar?

MR. MILLER: As against 1926.

THE COMMISSIONER: Not now, as against 1926.

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MR. McRUER: Is not it a fact that the index has increased 19% since 1933?

THE COMMISSIONER: I would think so. The cost of living most certainly has increased since 1933.

MR. KELLOCK: It may have, my lord, but in 1926, which is taken as the index year, and this simply shows that where a wage of \$100 was paid in 1926, if \$617 was paid at that time, of course it was worth the same thing. In 1930 the actual payment of \$666.24, on the basis of the index, is really worth \$671, and for eight months of 1936 an actual payment of \$645.07 is worth \$802.32.

MR. McRUER: Therefore these profits should be \$598,000 operating profit in 1935, worth about \$750,000.

MR. KELLY: If we want a real percentage and not something guessed at, let us take the value of the horse and rig that John Penman came to Paris in--

MR. McRUER: Well, ---

MR. KELLOCK: I asked you to prepare a statement showing on a percentage basis the relation between mill wages paid and sales for the years 1926, 1930 and 1935?

A. Wages paid and sales for the years 1926, 1930 and 1935.

EXHIBIT 723: Statement showing comparison between wages and sales for the years 1926, 1930 and 1935, dated October 15, 1936.

MR. KELLOCK: These are actual figures.

THE COMMISSIONER: I see we are back on land again.

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Mr. McRae: Is not it a fact that the index of living most certainly was increased since 1924. The cost of living most certainly was increased since 1924. Mr. McRae: It may have, my lord, but in 1924, which is taken as the index year, and this simply shows that where a wage of £100 was paid in 1924, it £117 was paid at that time, of course it was worth the same thing. In 1924 the actual payment of £100.24, on the basis of the index, is really worth £117, and for eight months of 1924 an actual payment of £117.07 is worth £100.24.

Mr. McRae: Therefore these profits should be £50,000 operating profit in 1924, worth about £750.00. Mr. McRae: If we want a real percentage and not something guessed at, let us take the value of the horse and rig that John Penman came to Paris in--

Mr. McRae: Well, --- Mr. McRae: I asked you to prepare a statement showing on a percentage basis the relation between wages paid and sales for the years 1924, 1925 and 1926. Mr. McRae: Wages paid and sales for the years 1924, 1925 and 1926.

Statement showing comparison between wages and sales for the years 1924, 1925 and 1926.



MR. KELLOCK: In 1926 the sales were \$6,677,400 and the wages paid were \$1,773,136. Percentage of wages of sales 26.16 per cent. in 1930 the sales were \$5,982,932. The wages paid were \$1,761,904.00 and the percentage of wages to sales was 29.45%. Then in 1935 the sales were \$5,230,933.00 and the wages paid were, \$1,634,532, and the percentage of wages to sales 31.25% .

Q. So that over that period, Mr. Lundy, wages have taken an increasing amount of the gross revenue?

A. Of the sales value, yes, output.

MR. KELLOCK: My lord, I have here for your lordship's information the index numbers prepared by the Dominion Bureau of Statistics from 1926 on, the cost of living index, 1926 being taken as the standard year of 100. In 1927 the figure was 98.4. In 1928, 98.9. In 1929 99.9. In 1930 99.2. In 1931, 89.6. In 1932, 81.4. In 1933 77.7. In 1934, 78.1. In 1935 79.3. Eight months of 1936, 80.4.

Q. Mr. Lundy, is there anything you would like to add?

THE COMMISSIONER: You might attach that to Exhibit 727.

MR. KELLOCK: Yes.

Q. Anything you want to add? A. No.

BY MR. McRUER:

Q. In respect to this Exhibit 726, according to the

Lundy

MR. KILBOCK: In 1936 the sales were \$2,677,400 and the wages paid were \$1,773,135. Percentage of wages of sales 66.16 per cent. In 1930 the sales were \$2,980,280. The wages paid were \$1,781,341.00 and the percentage of wages to sales was 59.76. Then in 1933 the sales were \$2,980,280.00 and the wages paid were \$1,600,082 and the percentage of wages to sales 53.68. In 1934 the sales were \$2,980,280.00 and the wages paid were \$1,600,082 and the percentage of wages to sales 53.68.

MR. KILBOCK: My lord, I have here for your lordship's information the index numbers prepared by the Dominion Bureau of Statistics from 1925 on, the cost of living index, 1925 being taken as the standard year of 100. In 1937 the figure was 93.4. In 1938, 92.9. In 1939 92.9. In 1940 92.8. In 1941, 89.2. In 1942, 81.4. In 1943 78.7. In 1944, 78.1. In 1945 78.7. Eight months to 1945, 78.7.

THE COMMISSIONER: You might attach time to Exhibit 787.



figures shown here for wages on the projected basis and in Exhibit 725, the total amount would be

\$1,606,557.50. That is right. When you are working

on the average to show the average wage for 1936

5 for the employees, the mill workers, as \$679.28?

A. \$679.28. Now, you take in order to arrive at

that average a total wages of \$1,606,507, that is

right? A. Yes, sir.

10 Q. But I see your total wages for 1935 amounted

to \$1,384,037.89, so that your calculation is based

on something that is probably about \$300,000 out.

MR. KELLOCK: You are talking about two different years.

15 MR. McRUER: Q. You certainly have not boosted

your wages in 1936 that it is going to come out

\$300,000 more? A. I do not think there is

any comparison at all. One is on a projected basis

20 in two weeks of February.

MR. KELLOCK: Already pointed out that that figure does not include all wages ---

25 MR. McRUER: Q. We will go back to the two years that are dealt with and one of them ties up and other does not. Now, there is no use of our getting

on an entirely fallacious basis. Go back here to

1926, looking at the return of wages, in the return

to Mr. Nowson, it shows a total of \$1,577,350. You

30 see that? A. Yes, sir.

MR. KELLOCK: Which is incomplete.

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Monday

figures shown here for wages on the projected basis

and in Exhibit 725, the total amount would be

\$1,806,357.50. That is right. When you are working

on the average to show the average wage for 1935

for the employees, the mill workers, as \$270.23?

A. \$270.23. Now, you take in order to arrive at

that average a total wages of \$1,806,357, that is

right? A. Yes, sir.

Q. Now I am going to ask you to look at Exhibit 725

and see if you can find the total wages for 1935

on something that is probably about \$800,000 out.

MR. KELLICK: You are talking about two different

years.

MR. KELLICK: A. You certainly have not boosted

your wages in 1935 that it is going to come out

\$800,000 more?

Q. One is on a projected basis

any comparison at all. in two weeks of February.

MR. KELLICK: Already pointed out that that figure

does not include all wages --

MR. KELLICK: A. He will go back to the two years

that are dealt with and one of them ties up and other

does not. Now, there is no use of our getting

on an entirely fallacious basis. Go back here to

1935, looking at the return of wages, in the return

to Mr. Lawson, it shows a total of \$1,347,350. You



MR. McRUER: Whether it is incomplete or not.  
In Exhibit 725 the amount is \$1,552,645., which is  
slightly less than the amount shown on the return  
to Mr. Howson - almost the same? A. May I  
interject a remark? I presume that this figure  
includes mill supervision and clerical ---

Q. No, it does not include mill supervision.  
Mill supervision is on another page. And if your  
projected figure is projected accurately it should  
give somewhere near the same. Those two figures  
in 1926 tie up about right, but when we get to 1930,  
on Exhibit 725 the figure is \$1,624,840, where  
in the return to Mr. Howson the actual wages paid  
show to be \$1,498,000, \$128,000 out. That makes  
a tremendous difference when we are dealing with  
the average wage per employee, does not it.

MR. KELLOCK: They are not comparable at all.

MR. McRUER: Well, it is the figure. There  
are the wages paid, there are the number of employees.

THE WITNESS: If I might remark, it would reduce  
this average, would not it, reduce that average of  
1930 ?

Q. Then if 1936 is anything like the same  
comparable year it would be somewhere near 1935---

MR. KELLOCK: You cannot assume that.

MR. McRUER: We will get the figures. You could  
give us the actual figures of the number of employees  
and amount paid in 1935, could not you, that we

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MR. HOWSON: Whether it is incomplete or not.  
In Exhibit 723 the amount is \$1,525,843, which is  
slightly less than the amount shown on the return  
to Mr. Howson - almost the same?

MR. HOWSON: I presume that this figure  
includes all supervision and clerical --  
No, it does not include all supervision.

Will supervision be on another page. And if your  
projected figure is projected accurately it should  
give somewhere near the same. Those two figures

in 1935 are up about right, but when we get to 1936,  
on Exhibit 723 the figure is \$1,524,840, where  
in the return to Mr. Howson the actual wages paid  
show to be \$1,498,000, \$26,840 out. That makes

the average wage per employee, does not it.  
MR. KILLICK: They are not comparable at all.

MR. HOWSON: Well, it is the figure. There  
are the wages paid, there are the number of employees.

THE WITNESS: Is I might remark, it would reduce  
this average, would not it, reduce that average of  
1935?

Q. When in 1935 is anything like the same  
comparable year it would be somewhere near 1935--  
MR. HOWSON: For 1935-1936.



will know whether increase or decrease in the amount. You could do that, could not you?

A. Yes, we could get them. It will take some time.

5 MR. McRUER: Well, better have them, but even taking exhibit 725 as it is it shows that in 1930 you had, 2,266 employees working. They got \$1,624,840. In 1936 you had 2,365 employees and they got \$1,606,507, or , in other words, you  
10 had about 100 more employees working for the same amount of money, which arrives back at the very thing that my friend was criticising the Press with being wrong last night, when they are right. This statement proves that what we said yesterday is  
15 right, that you have now more employees working for a less amount of money.

MR. KELLOCK: You see how unfair my friend is. You say in one breath you cannot argue anything  
20 from this and in the next breath you say you can argue this thing from it, and you are arguing on the basis of actual figure which is not an actual figure at all. You are simply deducting admissions from 1936 and drawing conclusion ---  
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MR. McRUER: That is what I thought you were putting this in for.

MR. KELLOCK: Not at all. This is for the purpose of showing trend,---

30 MR. McRUER: I am showing trend.

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will know whether increase or decrease in the

amount. You could do that, could not you?

A. Yes, we could get them. It will take some time.

MR. MORRIS: Well, better have them, but even

taking exhibit was as it is it shows that in 1936

you had 2,286 employees working. They got

22,000,000. In 1937 you had 2,286 employees

and they got \$1,808,507, or, in other words, you

had about 100 more employees working for the same

amount of money, which arrives back at the very

thing that my friend was criticizing the Press with

being wrong last night, when they are right. This

statement proves that what he said yesterday is

right, that you have now more employees working for

a less amount of money.

MR. KELLOCK: You see how unfair my friend is.

You say in one breath you cannot argue anything

and then you say in the next breath you can argue

and then you say in the next breath you can argue

and then you say in the next breath you can argue

figure at all. You are simply deducing

admissions from 1936 and drawing conclusion ---

MR. MORRIS: That is what I thought you were

deducing from the facts.

MR. KELLOCK: Not at all. This is for the

purpose of showing trend, ---



MR. KELLOCK: No.

MR. McRUER: The trend shows that in 1936, 2,365 employees would be drawing less money than 2,266 employees in 1930.

5 MR. KELLOCK: That is not the fact at all. It is not been established yet.

MR. McRUER: Is not that the trend?

MR. KELLOCK: No.

10 MR. McRUER: The thing is put before us and if we take it seriously it is wrong---

MR. KELLOCK: You took it seriously yesterday and made statement ---

15 MR. McRUER: Yes, I examined witness on the subject and you say to-day I am wrong, and now you put in a statement to show I am right. I do not know whether we are going or coming on it.

MR. KELLOCK: No, I do not think you do.

20 MR. McRUER: Q. Can you do this for us, so that we will not be under any misapprehension as to projected figures or anything of the kind - prepare a statement similar to Exhibit 728 dealing with actual results up to the end of 1935, wages paid, 25 number of employees and work it out and then we have the average wages per employee worked out on a 52-weeks basis? A. I understand that matter has been discussed between our accountant and Mr. Howson on various occasions.

30 Q. That is what Mr. Howson wanted in the commencing

THE UNIVERSITY OF CHICAGO



of this Inquiry? A. Well, the situation ---

Q. And I understood your accountant said that he could not give it. Now, my friend is suggesting that we asked for this and this is what we got.

5 MR. KELLOCK: I did not do anything of the kind. You are continually misrepresenting it. I told you that this basis had been agreed on between my client and your accountant after discussion.

10 MR. McRUER: It had not been agreed on. It is what your accountant said you could get.

BY THE COMMISSIONER: Q. Can this other and better information be obtained? A. I would like, if I may, to ask Mr. Kenerson.

15 THE COMMISSIONER: If Mr. Howson discussed the matter with the Company's accountant he ought to know the reason against getting it.

20 MR. HOWSON: The main reason that the Company gave for not completing the returns on the basis asked for was that in a number of mills there were seasonal operations and in one season would have a group of employees. The following season within the same year they would have an entirely different group of employees and if they gave us total number of employees paid during the year and total wages paid it would show an entirely wrong average rate of pay.

25 30 THE COMMISSIONER: Certain groups were on a lower wage level than the other groups?

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of this inquiry? Well, the situation ---

And I understood your accountant said that he

could not give it. Now, my friend is suggesting

that we asked for this and this is what we got.

MR. KILLICK: I did not do anything of the kind.

You are continually misrepresenting it. I told

you that this basis had been agreed on between my

client and your accountant after discussion.

MR. KILLICK: It had not been agreed on. It is

what your accountant said you could get.

BY MR. KILLICK: Can this other and better

information be obtained? A. I would like,

if I may, to ask Mr. Killick.

MR. KILLICK: Mr. Killick discussed the

matter with the Company's accountant he ought to know

the reason against getting it.

MR. HOBSON: The main reason that the Company

gave for not completing the returns on the basis

asked for was that in a number of mills there were

several employees who were not paid wages

group of employees. The following season within

the year they were not paid wages.

group of employees who were not paid wages.

of employees paid during the year and total wages

paid to employees who were not paid wages.

at pay.



MR. HOWSON: No, on your pay roll you would have 50 girls in the spring and in the fall would have 50 girls entirely different.

5 THE COMMISSIONER: You mean doing different things or---

MR. HOWSON: Different individuals, and you would have 100 employees listed on the pay roll where you would have only 50 for the full year and that is the reason the suggestion was made that they give the number of employees and the rate at which they were paid worked out on the basis for full year and I cannot yet see why the different periods should not show the trend from year to year if the thing is worked out on the same basis each year.

MR. McRUER: You think the projected basis ought to be the same in 1930 reasonably the same, as the actual payment, the same as it ties up in 1926.

20 MR. HOWSON: The comparison ought to be the same from year to year.

THE COMMISSIONER: What was the reason for the change made yesterday?

25 MR. HOWSON: There was apparently some error in making up the returns. I do not know what it was.

THE COMMISSIONER: Does not what we have before us show the trend on the projected basis? What is wrong?

30 MR. HOWSON: I don't know whether Mr. Kellock is objecting to it.

Mr. HOSKIN: No, on your pay roll you would have 50 girls in the spring and in the fall would have 30 girls entirely different.

THE COMMISSIONER: You mean doing different things

Mr. HOSKIN: Different individuals, and you would have 100 employees listed on the pay roll where you would have only 50 for the full year and that is the reason the suggestion was made that they give the number of employees and the rate at which they were paid worked out on the basis for full year and I cannot yet see why the different periods should not show the trend from year to year if the thing is worked out on the same basis each year.

to be the same in 1930 reasonably the same, as the actual payment, the same as it ties up in 1928.

Mr. HOSKIN: The comparison ought to be the same from year to year.

THE COMMISSIONER: That was the reason for the change made yesterday?

Mr. HOSKIN: There was apparently some error in making up the returns. I do not know what it was.

THE COMMISSIONER: Does not what we have before us show the trend on the projected basis? What is



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Lundy

MR. KELLOCK: No, I am not.

MR. McRUER: You are objecting to it if I take it as a basis that more employees are receiving less money.

MR. KELLOCK: What I say, the projected basis does show the trend of average earnings but if you take an isolated instance and subtract A from B and get so much less money, that is a fallacious result.

THE COMMISSIONER: I do not think there is any use discussing this thing but I think you had better see what you want and what you can get from the Company later on.

MR. McRUER: Yes, I am through.

--

-- The Commission adjourned at 5.40 P.M. to resume in Cornwall, Ontario, Tuesday, October 20th, 1938, at 2.30 P.M.

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MR. WELLOCK: No, I am not.

MR. McLEOD: You are objecting to it if I take

it as a basis that some employees are receiving

less money.

MR. WELLOCK: What I say, the projected basis

does show the trend of average earnings but if you

take an isolated instance and subtract A from B and

get so much less money, that is a fallacious result.

THE CHAIRMAN: I do not think there is any

use in making this thing but I think you had better

see what you want and what you can get from the

MR. WELLOCK: Yes, I am sorry.

-- The Commission adjourned at 5.40 P.M. to resume  
in Cornwall, Ontario, Tuesday, October 30th,  
1930, at 8.30 P.M.



ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

SEVENTY - FIRST DAY

(October 20th, 1936)

Robert Brydie,  
Official Reporter.

STATEMENT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDING 31st DECEMBER 1965

AND THE ACCOUNTS THEREON

AS AT THE MEETING OF THE BOARD OF DIRECTORS

SEVENTEENTH - NINETEENTH DAY

(October 1965, 1966)

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A. S. Whiteley, Secretary.

A p p e a r a n c e s :

J.C. McRuer, K.C. and )

E. Beauregard, K.C. )

Commission Counsel,

J.P. Lanctot, K.C. )

and )

For Special Committee

on Primary Textile

R.L. Kellock, K.C. )

Industries.

C.G. Heward, K.C. )

Aime Geoffrion, K.C. )

For Dominion Textile

and )

Company

C.T. Ballantyne, )

S.G. Dixon, K.C.

For Courtaulds, Limited.

L.A. Forsyth, K.C.

For Canadian Celanese Ltd.

and Canadian Silk Products

Limited.

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1912

WITNESSES

HON. MR. JUSTICE W.F.A. TUDGON,

Presiding,

A. S. Whistler, Plaintiff,

vs

J.C. McRae, K.C. and

J.P. Laroche, K.C.

G.D. Hewitt, K.C.

G.F. Patterson,

S.G. Dixon, K.C.

M.A. [illegible], K.C.

Defendants.

The Plaintiff claims  
an injury to his  
reputation.

For Dominion Textile  
Company

For Canadian Celanese  
and Canadian Silk Products  
Limited.

-- ODO --

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Cornwall, Ontario,  
Tue. October 20, 1936

The Commission resumed at 2.30 P.M.

THE COMMISSIONER: All right, Mr. McRuer.

5 MR. McRUER: My lord, I caused a notice to be  
put up in both the Canadian Cotton Mills here, and the  
Courtaulds Mills, and I see quite a number of employees  
in the court room. I do not know how many of them  
10 may be employees who desire to give evidence before  
the Commission, and my suggestion is that some  
announcement be made to them. Mr. Beauregard will  
be very glad to retire to another room and meet any  
of them who desire to give evidence before the  
15 Commission, so that we may have their names and  
get that part of the work organized while I go on  
with some other matters in the meantime.

THE COMMISSIONER: Yes. Well, just tell them your-  
20 self, Mr. McRuer.

(Mr. McRuer made the announcement that Mr.  
Beauregard would retire and meet employees  
who desire to give evidence before the  
Commission.)

25

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THE COMMISSIONER: All right, Mr. McNamee.

MR. McNamee: My lord, I caused a notice to be put up in both the Canadian Cotton Mills here, and Courtland's Mills, and I see quite a number of employees in the court room. I do not know how many of them may be employees who desire to give evidence before the Commission, and my suggestion is that some announcement be made to them. Mr. McNamee will be very glad to retire to another room and meet any of them who desire to give evidence before the Commission, so that we may have their names and get that part of the work organized while I am on with some other matters in the meantime.

THE COMMISSIONER: Yes, well, just tell them you self, Mr. McNamee.

(Mr. McNamee made the announcement that Mr. McNamee would retire and meet employees who desire to give evidence before the Commission.)

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5 MR. McRUER: During your lordship's absence from  
Ottawa in the early part of September, by arrangement  
with Mr. Dixon, Counsel for Courtaulds Canada, Limited,  
Mr. Henry Johnson was examined in Ottawa, and his  
evidence taken down. Mr. Dixon consented to this  
procedure, as Mr. Johnson was desirous of returning  
to England, and, although he was not examined on oath,  
we both consented that his evidence might be read  
to the Commission as if it had been given on oath,  
10 and I now desire to read Mr. Johnson's examination  
to your lordship.

THE COMMISSIONER: What is his full name, Mr. McRuer?

15 MR. McRUER: His name is Henry Johnson.

THE COMMISSIONER: And what is his position?

MR. McRUER: He was the President of Courtaulds  
Canada Limited.

THE COMMISSIONER: All right.

20 MR. McRUER: This examination was taken in the  
presence of Mr. Beauregard and myself, Mr. Dixon,  
Counsel for Courtaulds Canada Limited, and Mr. Whiteley,  
Secretary of the Commission. It is headed:

25 "In the matter of: An interview with Henry  
Johnson, President of Courtaulds, Canada, Limited:

"HENRY JOHNSON, Called:

BY MR. McRUER:

Q. Where is it that you live, Mr. Johnson?

30 A. Highfield, Coventry, England.

"Mr. Johnson, I understand that you want to  
go back to England right away?

Ottawa in the early part of September, by arrangement  
with Mr. Dixon, Counsel for Comptroller Canada, Limited.  
Mr. Henry Johnson was examined in Ottawa, and his  
evidence taken down. Mr. Dixon consented to the  
procedure, as Mr. Johnson was desirous of returning  
to England, and, although he was not examined on oath,  
we both consented that his evidence might be read  
to the Commission as if it had been given on oath,  
and I now desire to read Mr. Johnson's examination  
to your Lordship.

THE COMMISSIONER: What is his full name, Mr. Johnson?  
MR. MONTAGU: His name is Henry Johnson.

THE COMMISSIONER: And what is his position?

MR. MONTAGU: He was the President of Comptroller Canada, Limited.

THE COMMISSIONER: All right.

MR. MONTAGU: This examination was taken in the

presence of Mr. Beesley and myself, Mr. Dixon,  
Counsel for Comptroller Canada, Limited, and Mr. Whitel  
Secretary of the Commission. It is signed:

"In the matter of: An interview with Henry

Johnson, President of Comptroller Canada, Limited, Limited

HENRY JOHNSON, Called:

BY MR. MONTAGU:

Q. Where is it that you live, Mr. Johnson?

A. Nightfield, Coventry, England.

Q. Mr. Johnson, I understand that you were

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5 A. I did. Unfortunately, Mr. McRuer, I have had to spend just over two weeks on this dispute we have had with our work people at Cornwall. That has taken up time that was really allotted to me for going down to Virginia, North Carolina, South Carolina, to inspect certain sites that my engineers have sort of fixed on as being more or less suitable for new plants.

10 Q. At any rate, you want to get away from Canada?

A. I do.

15 Q. You are satisfied, are you, that we examine you in this informal way not under oath and that anything that may be said here may be read to the Commissioner if he so desires? A. Certainly, I am come here by your call.

20 Q. I just wanted it on record that you are quite satisfied with the informality of it as we are anxious to get the assistance of your evidence but do not want to detain you here until there should be a hearing of the Commission. A. That is very nice of you; if you can manage without having to fetch me back I should appreciate it.

25 Q. I think we will likely be able to do that. What position do you occupy with Courtaulds?

A. I am a Director now.

30 Q. You were President? A. No, I have never been president of Courtaulds, I am president of Courtaulds, Canada.

A. I did. Unfortunately, Mr. McGee, I have had to spend just over two weeks on this district and with our work people at Cornwall. That has taken up time that was really allotted to me for down to Virginia, North Carolina, South Carolina, for inspect certain sites that my engineers have of fixed on as being more or less suitable for a plants.

Q. At any rate, you want to get away from Canada. A. I do.

Q. You are satisfied, are you, that we examine you in this informal way not under oath and that thing that may be said here may be read to the

Q. I just wanted it on record that you are quite satisfied with the informality of it as we are anxious to get the assistance of your evidence but not want to detain you here until there should be hearing of the Commission. A. That is very nice of you; if you can see without having to listen me over I should appreciate it.

Q. You are satisfied? A. No, I have never been satisfied of anything, I am dissatisfied of



Q. You are president of Courtaulds, Canada?

A. Yes, not of Courtaulds.

Q. Not of the parent company? A. I was  
managing director of the parent company for nineteen  
years. I resigned from that two years ago.

Q. The parent company, of course, is incorporated  
in England? A. Yes.

Q. And how long has it been doing business there?

A. We changed the name for certain reasons when we  
made it a public company about pretty well thirty  
years since. I have been with them myself forty-  
one, but the Company has been formed as a private  
company and originally in the hands of our Chairman's  
predecessors since about 1800, perhaps a little  
longer than that.

Q. What was the name of the Company before?

A. Samuel Courtaulds & Company. Then it was  
changed to Courtaulds.

Q. Of course, your business was not originally  
viscose? A. No, we took viscose on about  
twenty-nine years since because silk was going down.

Q. You manufactured silk? A. Yes.

Q. Did you spin and weave silk or just spin?

A. That was our business; we were far and away the  
largest silk crepe manufacturers in the world.

Q. This English company still manufactures silk?

A. Oh yes.

Q. That is, both spinning and weaving?

Q. Now the President of Continental?  
A. Yes, not of Continental.  
Q. Not of the parent company? A. I was  
managing director of the parent company for a  
years. I resigned from that two years ago.  
Q. The parent company, of course, is incorporated  
in Canada?  
A. And how long has it been doing business there?  
A. We changed the name for certain reasons which  
made it a public company about twenty years ago.  
years since. I have been with them myself for  
one, but the company has been formed as a private  
company and originally in the hands of our Grand  
father.  
Q. What was the name of the company before?  
A. Samuel Continental & Company. Then it was  
changed to Continental.  
Q. Of course, your business was not originally  
viscose? A. No, we took viscose on about  
twenty-nine years since because silk was going  
down.  
Q. You manufactured silk?  
A. Yes.  
Q. Did you spin and weave silk or just spin?  
A. Just ran our business; we were far and away the  
largest silk spinning and weaving in the world.  
Q. And that is, both spinning and weaving?  
A. Oh yes.

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A. Spinning and weaving, yes. We still have the bulk of the trade even in our original crepe for Catholic countries, but of course tariff affected that a lot so it has fallen down.

That we have replaced with such makes of silk as crepe de chene and mixtures of silk and rayon. I suppose to-day we use more real silk than anybody in England.

Q. What portion of your business would be rayon in the English business? A. Far and away bigger than silk because perhaps we only use for weaving something less than ten per cent. of the rayon we spin. The other we sell to all kinds of English customers.

Q. You export from England too? A. Yes. Unfortunately, of course, every country is building a pretty high tariff wall around and so we are feeling the draft."

THE COMMISSIONER: I understand that Mr. Johnson is still a Director of the Company?

MR. McRUER: Yes, my lord, he is still a Director of the Company.

THE COMMISSIONER: And formerly managing - director?

MR. McRUER: Yes, my lord.

bulk of the trade even in our original crops  
for Catholic countries, but of course tariff  
affected that a lot as it has fallen down.  
That we have replaced with such makes of silk  
crops as come and mixtures of silk and rayon.  
I suppose to-day we use more real silk than  
anybody in England.

What portion of your business would be rayon  
in the English business? A. Not and very little  
than silk because Britain's we only use for worst  
something less than ten per cent. of the rayon  
we spin. The other we sell to all kinds of  
English customers.

Q. You export from England too?  
A. Yes.  
Unfortunately, of course, every country is  
building a pretty high tariff wall around and  
so we are feeling the draft.

THE COMMISSIONER: I understand that Mr. Johnson  
is still a Director of the company?  
A. Yes, he is, as far as I know.  
Q. Of the company.  
A. Yes, he is, as far as I know.  
THE COMMISSIONER: And formerly managing -  
Director?

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Q. Was your company not one that requested  
tariffs in Canada? A. Oh, yes; for instance, one of  
my co-directors, he is now deputy chairman, Mr.  
Stanley Bourne, came to Ottawa before we even looked  
at any sites.

Q. He came here. A. He came here to get  
some kind of assurance that there would be a tariff  
put on rayon yarns. I think one might say that at  
that time there was very very little rayon used in  
Canada.

Q. I was just wondering why the man came to  
Canada to ask that they put on a tariff on rayon yarns  
when you could manufacture the yarns and ship them to  
Canada? A. Oh well, we could see - we thought we  
could see that there was nothing like the consumption  
of rayon yarns in Canada that there ought to be  
judging by the population.

Q. How would putting on a tariff assist the  
consumption of rayon yarns? A. Oh well, we  
meant to take that as a risk. Of course, by  
putting a tariff on we thought we should have an

Page 9816 follows

Q. Was your company not one that requested  
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Canada to ask that they put on a tariff on rayon  
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could see that there was nothing like the consumption  
of rayon yarns in Canada that there ought to be  
a tariff on them.

Q. How would putting on a tariff assist the  
consumption of rayon yarns? A. Oh well, we  
meant to make them as a risk. Of course, by  
putting a tariff on we thought we should have an

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advantage by making rayon yarn here in opposition to some of the cheap rayon that came from the continent, you know, places like Italy and France. There was not much came from Germany then but there was some from France and some from Italy.

Q. I am a little puzzled yet to know how putting a tariff on against your product in England would assist in promoting consumption here? A. I have not made myself clear there. We were thinking we should be protected more against the cheap manufacturer.

Q. But how was that going to promote the consumption of rayon? A. Because one thing was we should make a higher standard of yarn. You can make all kinds of linings; that yarn was not intended by these people for this purpose. For quite some years the bulk of our manufacture at Cornwall went for knitting all kinds of cheap garments. What was your percentage of knitted yarns in Ontario?

MR. JONES (Courtaulds, Canada): 75 to 80 per cent.

THE WITNESS: Now then, it has got right around - what is your weaving proportion?

MR. JONES: 65 to 70 per cent. weaving.

THE WITNESS: I mean in the higher class of goods. Of course, you understand, Mr. McQuer, we are not blessed for this by some of our English customers. People who buy cloth from us in England, you know, one of them has come here and has built at Trenton. We have one of them started here weaving cloth here.

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I am a little puzzled yet to know how that  
a tariff on against your product in England would  
that is protecting consumption here? A. I have  
made myself clear there. We were thinking we should  
be protected more against the cheap manufacturer.

Q. But how was that going to promote the con-  
sumption of rayon? A. Because one thing we we  
make a higher standard of yarn. You can make all  
kinds of linings; that yarn was not intended by  
people for these purposes. You make a few years the  
of our manufacture at C. Maxwell went for knitting a  
kind of cheap garments. What was 7 or 8 per cent  
of limited yarn in Ontario?

Mr. James (C. Maxwell, Canada): 75 to 80 per  
cent. THE WITNESS: Now then, it has got right down  
what is your working proportion?  
Mr. James: 25 to 30 per cent. working.

THE WITNESS: I mean in the higher class of  
of course, you understand, I. No, we are not  
pleased for this by some of our English customers.  
People who buy cloth from us in England, you know,  
we have one of them started here working cloth here



BY MR. McRUER: Q. I don't quite understand what it is you mean when you say you are not blessed for this by the English customers? A. Naturally,

the English weavers we sold our yarns to, he did not like this coming here because he knew that the Canadian weaver would be able to protect himself against the English exporter.

Q. I still don't quite follow why if there is no tariff in Canada you could not sell to the Canadian weaver the same yarn that you are producing in Canada and sell it at a lower price? A. We could have done it easily but we should have, however, been faced with this competition of a lower grade of merchandise, and, of course, it is the price now that tells.

Q. Would the Canadian weaver have taken a lower grade of merchandise? A. Oh yes, he would have been bound to; he could not help himself, oh no, he could not help himself.

Q. Then, were the customs duties put on the yarn before you started your plant here or did that follow?

A. I had very little to do with that. I would venture to say we put that plant in in consideration of an undertaking they gave us that the duty should be so much. Mind you, it has been reduced since, of course. If there had not been a duty put on it would have been suicidal to have thought of it.

Q. When you say it has been reduced since I

BY MR. NORMAN: Q. I don't quite understand it  
it is you mean when you say you're not pleased to  
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A. Naturally.  
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like this coming here because he knew that the Can-  
adian weaver would be able to protect himself against  
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adian weaver the same yarn that you are producing in  
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been faced with the competition of a lower grade  
of merchandise, and, of course, it is the price of  
that sells.  
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grade of merchandise? A. Oh yes, he would have  
been bound to; he could not help himself, oh no,  
could not help himself.  
Q. When, were the customs duties cut on the y-  
arns you started your plant here or did that fol-  
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on it would have been suicidal to have thought of  
it. When you say it has been reduced since I

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wonder if you are just quite accurate on that. The first duty was put on some time in 1924?

A. 1924, that is the time we started at Cornwall.

5 Q. But the duty now, you say it is less now than it was then? A. Considerably less; we could not expect any government to commit themselves to the future. It is 20 per cent. now, isn't it?

10 MR. JONES: I think you will find it was 17½ per cent. in 1924.

MR. McRUER: That is my recollection.

MR. JONES: But it is 20 per cent. now but the difference in the price makes a considerable difference in the amount of duty paid.

15 SECRETARY WHITELEY: What about the minimum duty?

THE WITNESS: We are under the favoured nation clause.

MR. DIXON: Do not get into too many details.

MR. McRUER: I just want to get a record of that.

20 MR. DIXON: We have lots of people that can answer those questions.

MR. McRUER: The only reason I had him mention it was because I did not want it to be misleading when we read it. We will get that letter. 25 Then, at any rate, you built your plant at Cornwall? A. Yes.

Q. And this company at Cornwall is known as Courtaulds - A. Courtaulds, Canada -

30 C. Limited? A. Yes.

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Wonder if you are just quite accurate in that, the

1934, that is the time we started at Cornwall.

A. 1934, that is the time we started at Cornwall.

But the duty now, you say it is less now than

it was then? A. Considerably less; we could not

expect any Government to commit themselves to the

future. It is 20 per cent. now, isn't it?

Mr. JAMES: I think you will find it was 15

per cent. in 1934.

Mr. JAMES: That is at Cornwall.

Mr. JAMES: But it is 20 per cent. now but the

difference in the price makes a considerable differ-

ence in the amount of duty paid.

SECRETARY WHITNEY: What about the minimum duty

the whiskey? We are under the favoured nation

agreement.

Mr. JAMES: Do not get into too many details.

Mr. MONROE: I just want to get a record of that.

Mr. JAMES: We have lots of people that can

answer these questions.

Mr. MONROE: The only reason I had him mention

it was because I did not want it to be misleading

when we read it. We will get that letter.

Then, at any rate, you admit your duty at Cornwall?

A. Yes.

A. And this company at Cornwall is known as

James Watson & Co. Ltd.

James Watson & Co. Ltd.

James Watson & Co. Ltd.

James Watson & Co. Ltd.



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Q. It was incorporated here and the shares are all owned by the English Company? A. I have about one dollar worth to qualify me.

Q. All except five qualifying shares? A. Yes.

MR. DIXON: Mr. McRuer, originally this was started as a branch of the English company; from 1924 to 1928 it was the Canadian branch of the English company and in 1928 the Canadian Company was incorporated.

MR. McRUER: Yes, that is quite right.

BY MR. McRUER: Q. Now, I do not think we need to go into the capital structure and all that with you, Mr. Johnson. I have no doubt the Canadian officers can answer any questions we wish in regard to that.

A. They will tell you more clearly, because they will not be depending on memory.

MR. DIXON: Mr. Jones will be the man that will tell you.

BY MR. McRUER: Q. I do not want to trouble Mr. Johnson with anything we can readily get from the officers here because I would rather have their evidence given before the Commissioner. Then, your company has carried on business here as makers of viscose yarns only? A. Yes, and that is the sole - our sole purpose here.

Q. Your sole purpose is as makers of viscose yarns? A. Yes.

Q. Now, from the returns that you have made to our accountant, Mr. Howson, at least, that your company

Q. It was incorporated here and the shares are  
all owned by the English Company? A. I have about  
one dollar worth to qualify me.

Q. All except five qualifying shares? A. Yes.

Q. It was started as a branch of the English company; from 1928  
to 1928 it was the Canadian branch of the English  
company and in 1928 the Canadian Company was incorporated  
and it is quite right.

BY MR. McRURRY: Q. Now, I do not think we need  
to go into the capital structure and all that with

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A. They will tell you more clearly, because they will  
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MR. McRURRY: Mr. Jones will be the man that will  
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BY MR. McRURRY: Q. I do not want to trouble Mr.  
Johnson with anything we can readily get from the

officers here because I would rather have their evi-  
dence given before the Commissioner. Then, your com-  
pany has carried on business here as makers of glass

plates only? A. Yes, and that is the only -

Q. Your sole purpose is as makers of glass  
plates? A. Yes.

Q. Now, from the returns that you have made to  
the Commissioner of Internal Revenue, your company

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has made to our accountant Mr. Howson, I see the total sales from 1926 to 1935 amounted to \$34,891,028.86. The total gross profit before depreciation amounted to \$11,756,557.50 or 33.69 per cent., and the total net profits before depreciation amounted to \$10,556,997.87 or 30.27 per cent. The total net profit after depreciation amounted to 17.22 per cent., and Mr. Howson advises me - no, I was going to say that in the depreciation was included an item for depreciation of good-will, but that was taken out of the surplus. Apparently the net profit has amounted to 17.22 per cent. I won't ask you to agree on those figures, Mr. Johnson?

A. Who has furnished Mr. McRuer with those?

MR. DIXON: Mr. Jones furnished the figures; they are probably perfectly correct.

BY MR. McRUER: Q. I am not asking you to agree with them because when we go over them Mr. Jones will have an opportunity of verifying them, but I am going to ask you this, haven't you found the business here very profitable? A. I cannot say that we have found it very profitable. I am rather surprised at the figures you gave.

MR. JONES: I think possibly when Mr. Johnson does not know so much about that is the fact that practically everything we have made has gone back into new buildings and he has never seen it.

BY MR. McRUER: Q. Well, there is another figure

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has made to our accountant Mr. Howson, I see the  
total sales from 1936 to 1935 amounted to  
\$34,931,028.86. The total gross profit before  
depreciation amounted to \$11,756,557.50 or 33.63  
per cent., and the total net profit before depre-  
ciation amounted to \$10,526,937.87 or 30.37 per cent.  
The total net profit after depreciation amounted to  
17.24 per cent., and Mr. Howson advised me - no, I  
was going to say that in the depreciation was included  
an item for depreciation of good-will, but that was  
taken out of the surplus. Apparently the net  
profit has amounted to 14.32 per cent. I would ask  
you to agree on these figures, Mr. Johnson?  
Who has furnished Mr. McHugh with these?  
Mr. Dixon: Mr. Jones furnished the figures; the  
are probably perfectly correct.  
BY Mr. McHugh: Q. I am not asking you to agree  
with him because when we go over them Mr. Jones  
will have an opportunity of verifying them, but  
I am going to ask you this, haven't you found the  
figures very satisfactory? A. I have.  
say that we have found it very satisfactory. I am  
rather surprised at the figures you gave.  
Mr. Johnson: I think possibly when Mr. Johnson  
and I were so much about that is the fact that  
possibly everything we have made has gone back  
to new buildings and he has never seen it.  
BY Mr. McHugh: Q. Well, there is another figure

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that I want to give you, and that is according to Mr. Howson's calculations, repairs to buildings and machinery charged to operations during that period amount to 5.20 per cent., and that the mill wages in that period amount to 25.6 per cent. I just want to draw your attention to the fact that profit before depreciation together with the repairs to the machinery which goes back into the plant amounts to 35.57 per cent. and the mill wages to 25.6 per cent. / A. Yes.

Q. So that according to these figures the amount that is paid out in wages is apparently considerably less than the amount that goes to the company either in the form of profit or into the appreciation account paid back into capital investment and so on.

A. On that question of depreciation I do not suppose you could find in this country any industry - you certainly could not in the textile industry, where the depreciation of machinery will be one-third of what it is with us. X For one thing in order to carry on our business at all it is practically a continuous operation so that we get three years' wear on our machinery in twelve months. / Then, from the tremendous quantities of destructive chemicals we use, such as sulphuric acid, we are always renewing and having to renew. We have another item. You can understand in a business like ours the machinery is very very soon obsolescent. When we started here we were driving with belt-driven spindles to begin with.

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Hewson's calculation, repairs to buildings and  
machinery charged to operations during that period  
amount to 0.20 per cent., and that the mill wages in  
that period amount to 25.6 per cent. I just want to  
draw your attention to the fact that profit before  
depreciation together with the repairs to the machine  
which goes back into the plant amounts to 25.8 per cent.  
and the mill wages to 25.6 per cent. / A. Yes.  
So that according to these figures the amount  
that is paid out in wages is approximately considerably  
less than the amount that goes to the company either  
in the form of profit or into the depreciation account.  
paid back into capital investment and so on.  
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you could find in this country any industry - you  
certainly could not in the textile industry, where the  
depreciation of machinery will be one-third of what  
it is with us. X For one thing in order to carry on  
our business at all it is practically a continuous  
operation so that we get three years' wear on our  
machinery in twelve months. / Then, from the  
thousands of dollars of destructive chemicals we use  
such as sulphuric acid, we are always renewing and  
having to renew. We have another item. You can  
understand in a business like this the machinery is  
very very soon obsolescent. When we started here  
we were arriving with belt-driven engines to being with

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Every spindle now is driven individually by motors.

In order to keep pace with the demand we have had to increase the speed of them necessitating fresh motors.

When we started we used aluminum boxes that were the least destructive and the lightest. We had to get

rid of them. We are now trying out bakelite which

although far from perfect is a much better medium

for spinning than aluminum. So that our account for

renewals and against depreciation is very very heavy.

I was only going to say that on this question of

profit, if this is the moment to interject it. Of

course, there has been a tremendous drop in the

price of our yarn, you know, and you won't forget that

part of it. What were you selling yarn at?

MR. JONES: It has come down from \$1.50 to 57 cents.

BY MR. McRUR: Q. That is the situation throughout the world? A. Yes, certainly."

THE COMMISSIONER: That means by the pound, I suppose?

MR. McRUR: By the pound.

"Q. It could not be suggested that your company have been any more beneficent to the public than

any other company in that respect? A. No,

but the point of it is that we should have a very

significant difference in those figures if they were

current figures rather than taking the first ten years that we were in Canada here.

Q. Of course, we will deal with them year by year when we come to it? A. Yes, that is the best way.

Every spindle now is driven individually by motors  
In order to keep pace with the demand we have had  
increase the speed of them necessitating fresh motor  
When we started we used aluminum boxes that were  
although the iron part of it is a much better medium  
for spinning than aluminum. So that our account for  
I am only going to say that on this question of  
profit, it this is the moment to interject it. Of  
Mr. James: It has come down from \$1.00 to 57  
centa.

BY MR. MONROE: 9. That is the situation there  
at the world? A. Yes, certainly.  
THE COMMISSIONER: What means by the pound, I  
suppose?

MR. MONROE: By the pound.  
"It could not be suggested that your company  
pay with any government in the world  
any other company in that respect? A. No.  
but the point of it is that we should have a very  
significant difference in those figures if they were  
current figures rather than taking the first ten years  
that we were in Canada here.



Q. Oh yes, we will do that. Probably you are not familiar with the details of the capital structure?  
A. No.

5 Q. Well, I will deal with that with Mr. Jones later on. A. Yes, Jones will deal with it or Mr. -- whom have you got at Price Waterhouse?

MR. JONES: Mr. Young or Mr. Hutchison.

10 BY MR. McRUER: Q. Were you familiar with the negotiations that took place with the Government in 1930, in the fall of 1930, when there was a change of government in Canada in respect to securing an increase in the customs duties on rayon or viscose yarn?

15 A. Well, I am not familiar with the details there, Mr. McRuer, at all.

Q. Is Mr. Linnett? A. Yes, but unfortunately the poor fellow is very ill and has been for six months.

MR. DIXON: He was our general manager.

20 THE WITNESS: He was our general manager. I have had to bring three months since one of our English plant manufacturers over to take his place and he is here now.

25 BY MR. McRUER: Q. Now, I want to read a letter a copy of which appears ON THE Departmental file dated September 10th, 1930, which purports to be addressed by Courtaulds Canada Limited under Mr. Linnett's signature, or over Mr. Linnett's signature to the Hon. E. B. Ryckman, K.C., Minister of  
30 National Revenue:-

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Q. On yes, we will do that. Probably you are

not familiar with the details of the capital structure

No.

Q. Well, I will deal with that with Mr. Jones

Q. Yes, I will deal with that with Mr. Jones

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"Sir:

With reference to the recent application by Courtaulds Canada Limited for an increase in tariff on importations of rayon yarn we respectfully submit to you in the event of your deciding to grant such increase as we ask we would definitely guarantee (1) that we would not increase our prices above our present price list of June 1st. This is 90 cents a pound for 150 denier first-quality, which is the standard count, with prices for other counts in proportion. In explanation we would say we are selling the same count to-day for 75 cents because of huge importations offered considerably under this figure, but we by doing so are losing at least 5 cents a pound on every pound of yarn we sell. (2) That we would take care of any increase in trade which might come to us through increase in tariff i.e. extend our present plant if necessary. (3) If plant expansion should be necessary and increasing production reduce the cost we would pass on this reduction to our clients, our effort being only to get a fair return on the capital invested.

Respectfully submitted,

Courtaulds Canada Limited,

N. Linnett,"

"Now, would you be familiar with that undertaking given to the government? A. I don't think I should be

REPLY:

With reference to the recent application by Courtenay Canada Limited for an increase in tariff on importations of woven yarn we respectfully submit to you in the event of your deciding to grant such increase as we ask we would definitely guarantee (1) that we would not increase our prices above our present prices list of June 1st. This is 30 cents a pound for 150 denier first-quality, which is the standard count, with prices for other counts in proportion. In explanation we would say we are selling the same count to-day for 75 cents because of huge importations offered considerably under this figure, but we by doing so are losing at least 5 cents a pound on every pound of yarn we sell. (2) That we would take care of any increase in value which might come to us through importation as tariff i.e. extend our present plant if necessary. (3) If plant expansion should be necessary and increasing production reduce the cost we would pass on this reduction to our clients, our effort being only to get a fair return on the capital invested.

Respectfully submitted,

M. Lindsay

Now, would you be familiar with the representative given to the Government? I don't think I should be

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familiar with that, Mr. McRuer, because as I say I was away. Mr. Linnett is a director of Courtaulds, Canada just the same as Mr. Taylor and Mr. Foster and Mr. Jones, and all matters of that sort they would no doubt deal with on their own initiative.

"I just want to get your views on what took place following that so that you might make any observations that you desire.

MR. DIXON: I might say that we have a file of correspondence that Mr. Linnett had with the government on that subject and perhaps some other witness could give this evidence better.

MR. McRUER: Well, I would appreciate very much doing that that way. The only thing was I wanted to just get Mr. Johnson's observations, if he desired to make any, in respect to it, because he is the president of the company. I do not need to read the details of the letters. We will have those read in as Mr. Dixon suggests by putting in the whole correspondence altogether. Following this complaint was made by certain of the weavers in Canada that while Courtaulds had reduced their prices in England they had increased them in Canada after this tariff was put on. I think that is a correct summary, is it not, Mr. Dixon?

MR. DIXON: I think so, yes.

MR. McRUER: Of the complaint; now, did that matter come to your attention? A. First of all, is this a fact?

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was away. Mr. Linnett is a director of Continental,  
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Mr. Jones, and all matters of that sort they would no  
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had increased them in Canada after this tariff was  
put on. I think that is a correct summary, is it not,

MR. DIXON:

MR. DIXON: I think so, yes.

MR. McNamee: Of the complaint; now, did that

matter come to your attention? A. First of all,

is this a fact?



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MR. JONES: Well, to put it this way, yes and no.

THE WITNESS: It cannot be Yes and No.

5 MR. JONES: It all comes back to that letter Mr. Linnett wrote about our price was 90 cents and <sup>we</sup> were selling it to certain customers at 75 cents. We at that time were putting up our No. 2 unit, considering putting up our No. 2 unit in 1930, and we brought our prices back to 85 cents from 75 cents.

10 THE WITNESS: How long did you keep them at 85?

MR. JONES: I think about a couple of months. Then, when we saw sufficient lee-way with the new unit going up, No. 2, then our prices went down again."

15 MR. McRUER: My lord, just to pause there, I think the evidence is it is about a year and a half, but we will discuss that further with the Company, that the price was up. Mr. MacDougall's evidence in Montreal ---

20 THE COMMISSIONER: You say the price went up about a year and a half after ?

MR. McRUER: No, it was maintained for about a year and a half.

THE COMMISSIONER: Maintained.

25 MR. McRUER: At the higher level; he says it was kept up about two months.

THE COMMISSIONER: That couple of months really means a year and a half?

30 MR. McRUER: Yes, according to the table Mr. MacDougall put in in Montreal. You might get that table out, Mr. Whiteley, as we will need to refer to it later on.

MR. JONES: Well, to put it this way, yes and no.  
THE WITNESS: It cannot be yes and no.

MR. JONES: It all comes back to that letter Mr.

Witness: Yes, that is the first time I saw the letter.  
selling it to certain customers at 75 cents. We at  
that time were putting up our No. 2 milk, consider-  
ing putting up our No. 2 milk in 1930, and we brought  
our prices back to 85 cents from 75 cents.

THE WITNESS: How long did you keep them at 85?

MR. JONES: I think about a couple of months.

Then, when we saw sufficient loss-way with the new unit  
going up, No. 2, then our prices went down again.

MR. McHUGH: My lord, just to pass there, I

think the evidence is it is about a year and a half,  
but we will discuss that further with the Company,  
that the price was up. Mr. Nicholson's evidence  
is to the contrary.

THE WITNESS: Yes, my lord, that is the evidence.

about a year and a half after?

MR. McHUGH: No, it was maintained for about

a year and a half.

THE WITNESS: Yes, my lord, that is the evidence.

MR. McHUGH: At the highest level, he says it

was kept up about two months.

THE WITNESS: Yes, my lord, that is the evidence.

about a year and a half?

MR. McHUGH: Yes, according to the table Mr.

Nicholson put in in evidence. You might get that

table out, Mr. Nicholson, as we will need to refer to

it later on.



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THE COMMISSIONER: That is Mr. MacDougall of Belding-Corticelli?

MR. McRUER: Yes.

THE WITNESS: Have you got the documents?

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BY MR. McRUER: Q. I do not want to involve you in it at all, Mr. Johnson, if you don't know anything about it? A. You are going to involve me in this way; the next question will be based on Mr. Linnett's letter and you will say if we lost 5 cents a pound when we were getting 75 cents why are we not losing when we are getting 57 cents?

10

Q. I think you would be a good lawyer, Mr. Johnson.

MR. DIXON: It seems to me, Mr. Johnson, that unless you remember this pretty definitely you had better just say so.

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MR. JONES: Mr. Johnson does not spend an awful lot of time here.

BY MR. McRUER: Q. The only thing is I want to know if this matter came to your attention, that is, this broad matter, according to the information that is contained in this file, that at the time that prices were reduced in England they were increased in Canada almost contemporaneously, and were you aware of that or did you later become aware of it and take any action yourself as president of the company, with regard to it? A. Take a matter of that kind, it is very easily explained; supposing -

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Q. Were you aware of it? A. No, no, no.

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Q. You don't know anything about it? A. No, not connecting the two things. I can only explain

THE COMMISSIONER: That is Mr. Macdonnell of

Belting-Cortisell?

MR. MONROE: Yes.

THE COMMISSIONER: Have you got the documents?

MR. MONROE: A. I do not want to involve you

in it at all, Mr. Johnson, if you don't know anything

about it? A. You are going to involve me in

this way; the next question will be based on Mr.

Linnett's letter and you will say if we lost 5 cents

a pound when we were getting 75 cents why are we not

losing when we are getting 57 cents?

A. I think you would be a good lawyer, Mr. Johnson.

MR. DIXON: It seems to me, Mr. Johnson, that

unless you remember this pretty definitely on had

nothing to do so.

MR. JOHNSON: Mr. Johnson does not spend an awful

lot of time here.

MR. MONROE: A. The only thing is I want

to know if this matter came to your attention, that is,

this thing which was mentioned in the report that is

contained in this file, that at the time that prices

were reduced in England they were increased in Canada

almost contemporaneously, and were you aware of that

or did you later become aware of it and take any ac-

tion yourself as president of the company, with regard

to it? A. Take a matter of that kind, it is very

really complicated.

A. You were aware of it? A. No, no, no.

A. You don't know anything about it? A. No.

not connecting the two things. I can only explain



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Q. If you don't know anything about it, if it was an action purely of the officials of the company here then I shall ask them. A. They will have some explanation, I am sure.

5

Q. We will want their explanation, because it would not be fair for you to give one and they would probably have another one. A. No.

MR. JONES: I do not think any of us can have one on that.

10

BY MR. McRUER: Q. That is a matter that apparently did not come to your attention at all. Now, what I really wanted to examine you more about in connection with your visit here is labour matters.

15

A. Yes.

Q. Then, these matters of business detail will necessarily be in the hands of the officers of the company here. I understand you to say they are in the hands of the officials of the company here, the details of running the business?

20

A. All these details are in their hands, and I think it is running fairly satisfactorily.

Q. I do not know just what position labour matters are left in at Cornwall at this moment?

25

A. Well, I can tell you.

Q. I do not want to interfere? A. You won't interfere; you could not do anything about it unless you should come and wave a red rag and start that sort of caper. Would you like me to explain?

30

Q. Just tell us what position things are in now in regard to the strike? A. I came here two

... if you don't know anything about it, it is  
was an action purely of the officials of the company  
here then I shall ask them. A. They will have  
some explanation, I am sure.  
... We will want their explanation, because it  
would not be fair for you to give one and they would  
badly have another one. A. No.  
MR. BRIDGE: I do not think any of us can have  
one on that.  
MY MR. BRIDGE: That is a matter that ap-  
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A. All these details are in their hands, and I think  
it is running fairly satisfactorily.  
...  
... are left in Cornwall at this moment?  
... well, I can tell you.  
... I do not want to interfere. A. You won't  
...  
... sort of answer. Would you like me to explain?  
... Just tell us what position things are in now

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5 weeks yesterday, I got to Cornwall. Naturally I took a couple of days in which to sort of get hold of the situation, as it were. After making a lot of enquiries and seeing newspaper reports I came to the conclusion it was not a serious trade union action at all. It was undoubtedly -

10 A. Now, although we are in camera here I want you to understand that anything that is said here will be read publicly, and I caution you in that regard. A. I don't think it would be right for me to hide the high spots.

15 A. I do not want you to hide anything. I do not want you to be under any misunderstanding at all, this being a confidential discussion."

20 THE COMMISSIONER: Mr. McRuer, there is liable to be some misunderstanding about the wording. The copy I have here reads : "I do not want you to be under any misunderstanding at all, this being a confidential discussion".

25 MR. McRUER: That is a misprint. "Any misunderstanding at all this is a confidential discussion". I thought that Mr. Johnson from his tone of voice or something was rather indicating that he thought it was a confidential matter. I was warning him it was not. That was our understanding.

30 "I want you to understand that. A. I am going to confine myself to what is now public property. I have had four conferences with the workers' representatives and I would ask you to please notice the difference between Workers representatives and trade

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I took a couple of days in which to sort of get hold  
of the situation, as it were. After making a lot  
of inquiries and seeing newspaper reports I came to  
the conclusion it was not a serious case which ought  
at all. It was undoubtedly -  
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to hide the facts.  
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...  
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... I have here reads: "I do not want you to be  
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him it was not. I was not understanding.  
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... myself to what is now public property. I  
... and their confidences with the women, say-  
... you to please notice the

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5 unions. I made it very very clear that their proposals  
were too ridiculous and amateurish for anything, and  
at these meetings we had a stenographer, we have got  
a properly qualified stenographer, and they have full  
reports of them and I have got full reports. The  
first thing was to get rid of one or two of those  
Communists which I think we managed to do. Then  
I agreed, as I say, to meet the workers' representa-  
tives. We have had four meetings with them in  
10 detail, spinners, reelers, processing and engineers.  
We had an agreement signed on Saturday afternoon by  
representatives of the work people and by myself on  
behalf of the company, witnessed by -- it was wit-  
nessed by one of the Provincial Police. He happened  
15 to be there and they were agreeable to that. There  
were a number of conditions that we have got. The  
first one is there shall be no connection with any  
union; that is the first item on the programme.

20 Q. Who should have no connection with any  
union? A. Our workers.

Q. Was that a term that you forced on them?  
A. I don't know as I forced it on them. It was a  
condition I put on them.

25 Q. When you say it was a condition you put on  
them you mean it was a condition that you would enter  
into no agreement with them unless they agreed to that  
condition? A. Yes.

30 Q. Why do you take that attitude? A. Well, you  
see -- I am not going to say something I should have  
said otherwise. I take this attitude because I





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know something of some of the s--called union tactics.

Q. Are you referring to Canada now? A. I am referring to the United Textile Workers of America who pushed themselves in front at Cornwall as being the Union to which our work people would have to be affiliated.

Q. Might I ask you this, are your workers in England members of the Union? A. Some of the plants are, some are not.

Q. Some are? A. And some are not.

Q. You do recognize the Union there? A. Yes, and so we do in the States.

Q. If you recognize the Union in England and the States, why will you not recognize one in Canada?

A. Because the principal reason I had against this was the form of their own proposed agreement was so amateurish, so dictatorial, that I could see it was the beginning of incessant trouble.

Q. I want you to give me the objectionable features of their proposed agreements that you say were so amateurish and so objectionable. A. Let me see, I will have to recall a few of them. First of all they demand that in certain isolated cases without any further consideration wages shall be brought up to a certain level.

Q. That is rather indefinite; are these objectionable proposals in writing any place? A. Yes, I have got them printed, I have got copies of them.

Q. You have got the proposals? A. Yes, and I have got our replies to them which I shall be very

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referring to the United Textile Workers of America  
who passed themselves off as being at Montreal as being  
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Some are? A. And some are not.  
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any further consideration wages shall be brought up

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jections? A. Yes, I have got copies of them.  
You have got the proposals? A. Yes, I have.



pleased to send on to you.

I would like to have them. A. I will send them on to you. Then, when they have got this levelled up they ask for a general increase of 10 per cent. They did not know any difference between 10 per cent. and 10 cents; that is a fact.

Q. What do you mean? A. As to the value of it.

X Q. Who did not? A. The Union people.

Well then, you must understand I wanted to make a lot of matters uniform even from our own ideas and thoughts of this. We have there at Cornwall, and I understand both from our own foremen and from the Union representatives that in a trade you have no system of apprenticeship the same as you have in England, so that I found one electrician 70 cents, another 65, another 60, another 50. I did not understand how this came. I do now, and it is apparently that they are sort of learning their trade at our expense, and this has accounted for this sliding scale of rates of payment. In England it is the easiest matter. A man serves his apprenticeship. It might be an electrician or a millwright or a pipe-fitter. Then, when he comes 21 he is classed as a tradesman and they are all paid the same rate, but that would be impossible in this country. The Union admit that. That is the big difference as between the English custom; the Canadian custom is the same as the United States custom." /

THE COMMISSIONER: Just a minute, can you tell me here, by the way, to what classes of employees

me here, by the way, to what classes of employees  
the United States custom."  
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that. That is the big difference as between the  
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that on to you. They, when they have got this

... I would like to have them. A. I will send

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this apprenticeship custom extends.

MR. McRUER: I think he was referring particularly to electricians.

THE COMMISSIONER: He mentions electrician, millwrights and pipe-fitters.

MR. McRUER: Not mill workers.

THE COMMISSIONER: Not producers.

MR. McRUER: Not producers; I don't think he was referring particularly to them.

MR. DIXON: It does not extend to mill workers, my lord.

"Q. In view of the fact that they have no apprenticeship act what better way could you suggest that the matter be handled than the one that was proposed, and that is, that there be a sliding scale according to a man's experience? A. Not what was proposed, what was already in effect. What they would have liked was to take a 45 cent man or a 50 cent man and give him the high rate, whether it was 60 or 70, and then give him 10 per cent. on top of that.

Q. Did they ask for that? A. Yes, yes.

Q. That is electricians, that would not apply generally? A. That applies specifically to electricians, but it applied to other trades, as I say, carpenters, and because the same ruling applies. It is the same with carpentering.

Q. I suppose if the rate was fixed at 70 cents you would not need to employ any person who could not earn it? A. There you are touching on another point that was brought up. There was a good deal of unem-

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MR. MONTAGUE: I think he was referring particularly to electricians.

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MR. MONTAGUE: In view of the fact that they have no apprenticeship not what better way could you suggest that

matter be handled than the one that was proposed, and that is, that there be a sliding scale according

to a man's experience? A. Not what was proposed, what was already in effect. What they would have liked

was to take a 45 cent man or a 50 cent man and give him the high rate, whatever it was 50 or 70, and then

give him 10 per cent on top of that.

A. Did they ask for that? A. Yes, yes. That is all right, that would not apply

generally? A. That applies specifically to electricians, but it applied to other trades, as I say,

carpenters, and because the same ruling applies. It is the same ruling.

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it? A. There you are touching on another point that was brought up. There was a good deal of



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5      employment in Cornwall and pleas were made by the  
tradesmen - we have evidence of this - would be spread  
the employment over as far as we could the people who  
lived in the town. If that had not been so we could  
have sent into Montreal and presumably got men who  
were much better skilled.

SECRETARY WHITELEY: This relates only to the  
trades; it does not affect the general mill hands?

10      THE WITNESS: There was a difference in the  
general mill as between one department and another  
that I personally felt should be corrected, and that  
I corrected to my own satisfaction by bringing them  
on to the level which they are to-day. This was  
15      in the negotiations of the last few days.

MR. DIXON: Mr. McRuer, if I might be allowed to  
remind Mr. Johnson of something; in this proposed  
agreement there was practically control by the  
Union of who should be employed and who should be  
20      fired.

THE WITNESS: The Unions, they say who shall be  
employed and we shall not fire them. They shall  
fire them and they shall elect anybody whom we might  
require.

25      BY MR. McRUER: Who have a mill in the States,  
or several mills? A. Yes, several.

Q. How many mills have you got in the States?

A. Six.

Q. Are you an officer of those mills?

30      A. I am a director of the Viscose Company.

Q. Pardon? A. I am a director of the Viscose  
Company.

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tradesmen - we have evidence of this - would be spread  
the employment over as far as we could the people who  
lived in the town. It had not been so we could  
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were much better skilled.

This relates only to the  
trades; it does not affect the general mill industry.  
There was a difference in the  
general mill as between one department and another  
that I personally felt should be corrected, and that  
I corrected to my own satisfaction by bringing them  
on to the level which they are today. This was  
in the negotiations of the last few days.

Mr. Member, if I might be allowed to  
repeat Mr. Johnson's statement; in this proposed  
Union of who should be employed and who should be

The witness: The Union, they say who shall be  
employed and we shall not fire them. They shall  
fire them and they shall elect anybody whom we might  
employ.  
BY MR. MEMBER: Who have a mill for the Union,  
or several mills? A. Yes, several.

How many mills have you got in the State?  
A. Six.  
How many in the State of New York?  
A. I am not sure of the number.



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Q. Now, as I understood you, the conditions in Canada are similar to those in the United States in respect to employment? A. In what respect?

5 Q. You said that in regard to the employment of workers that the conditions were the same here as in the United States, that is, that we have no apprenticeship law here? A. No.

10 Q. They have no apprenticeship law in the United States? A. That is right.

Q. Now, how do you deal with that matter in the United States? A. Well, we have gradually --

15 There has been a very great deal of unemployment, as you know, in the States, and we have gradually eliminated - we have stopped really working with inefficient folk, younger folk, under any pretence. We have levelled that up considerably.

20 Q. Do you pay the same rate to all of them in the United States? A. No, it has taken a long time to level that up; pay the same rate to different plants? all through? No!

Q. I mean, do you pay the same rate to all electricians, for instance? A. No.

25 Q. So that you have different scales of pay according to a man's ability? A. There is another matter drops in there apart from a man's ability. You might take it roughly that the States, for textile purposes, according to my experience you might say that it was roughly divided in about three zones. You  
30 could include in the first zone, say New York State, Pennsylvania, the Northern part of Ohio, Cleveland,

Q. Now, as I understood you, the conditions in

Canada are similar to those in the United States in

respect to employment? A. In what respect?

Q. You said that in regard to the employment of

workers that the conditions were the same here as in

the United States, that is, that we have no apprenticeship

ship law here? A. No.

Q. They have no apprenticeship law in the United

States? A. That is right.

Q. Now, how do you feel about that matter in the

United States? A. Well, we have practically --

there has been a very great deal of unemployment, as

you know, in the States, and we have an awfully elimi-

nated -- we have a good deal of people working with inefficient

folk, younger folk, under any pretence. We have for-

feared that up considerably.

Q. Do you pay the same rate to all of them in the

United States? A. Well, it is not the same in all the

States. I mean, do you pay the same rate to all?

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electricalians, for instance? A. No.

Q. So that you have different scales of pay

according to a man's ability? A. There is another

matter drops in there apart from a man's ability. You

know, as to ability, that is one thing, the quality

of the work is another. According to my experience you might say that

it was roughly divided in about three zones. You

could include in the first zone, say New York State,

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and that district. Then, you come to another zone, say Virginia, West Virginia, and then you get lower down still and you come down to the Carolinas, and Georgia. They are distinct.

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Q. Just leave out the question of zones; I want to clear up one matter and see if we can get it sifted out. Take, for example, an electrician employed in a plant. In Canada we say we have an apprenticeship law. A. No.

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Q. And that the employees requested you to pay the same to inexperienced as to experienced help?

A. That is correct.

15

Q. That is what I understood you to say was their demand? A. Yes.

Q. In the United States you deal with Labour Unions? A. At some of the plants we do. Take one where we do.

20

Q. How is that matter adjusted at those plants? A. Well, we will say there is half-way between the differences that are existent here and the uniform rate.

25

Q. That is not very clear to me. Take a plant in the United States where you deal with the Union and you have an inexperienced man; now, how is his pay fixed? What is it you meant by half-way between - A. I mean to say that the difference - we don't have such a wide difference between the top rate and the bottom rate as is prevalent in Canada.

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I will put it that way.

Q. That is, that the inexperienced man is

and that district. Then, you come to another zone, say Virginia, and then you get lower down still and you come down to the Carolinas and Georgia. They are distinct.

Q. Just leave out the question of zones; I want to clear up one matter and see if we can get it settled out. Take, for example, an electrician employed in a plant. In Canada we say we have an apprenticeship law. A. No.

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we don't have such a wide difference between the top rate and the bottom rate as is prevalent in Canada. I will put it that way.

Q. That is, that the inexperienced man is



treated a little better than he is in Canada? A. No, it depends on the level where you started. It depends, of course, on the rate of wages because electricians' wages are higher in the States than they are in Canada.

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SECRETARY WHITELEY: Presumably you have an agreement with the Unions, the Electricians Union, in regard to these wages?

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THE WITNESS: No, we do not; if you like, we have -- I was going to say a gentleman's agreement. I don't know whether I should say that. We don't go that far with them. Take the case where we had to smash a Union up deliberately.

15

BY MR. McRUER: Q. Why did you smash it up?

A. Because it was so badly led, and the Union themselves knew it was being badly led.

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Q. What were the objectionable features about it? Why did you set out to deliberately smash it up?

A. Because they were not at all reasonable in anything we brought up; we could not discuss anything with them.

25

Q. Of course, Mr. Johnson, I have always found that the other fellow did not think I was reasonable when I did not agree with his point of view. I wondered what the points were that you suggest were unreasonable? A. There were a multitude of points. The President of one Union, I met him not six months since. He took a very very active part in the Union activities at the different mills. They were out - some of them were out months, because we could not get it going

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again. I met him one day in the works and had a joke with him, when he was going to go back to his work, and

Q222

treated a little better than he is in Canada? A. No,  
it depends on the level where you started. It depends  
of course, on the rate of wages because electricians  
wages are higher in the States than they are in Canada.  
Q223 BY MR. WILKINSON: Presumably you have an  
impression that the rate of wages in the States is higher  
in regard to these wages?

A. Yes, I think so. No, we do not; if you like, we  
have -- I was going to say a gentleman's agreement.  
I don't know whether I should say that. We can't go  
to the States and see what the rate is there and then  
smash a Union up deliberately.

BY MR. WILKINSON: Why did you smash it up?  
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selves knew it was being badly led.

Q224 BY MR. WILKINSON: Were the objectionable features about it?  
A. Yes, they were. They were not at all reasonable in anything  
we brought up; we could not discuss anything with them.

Q225 BY MR. WILKINSON: Of course, Mr. Johnson, I have always found  
that the other fellow did not think I was reasonable  
when I did not agree with his point of view. I wonder-  
ed what the points were that you brought up were unreasonable.  
A. There were a number of points. The first  
point of one Union, I was with him six months since. He  
took a very very active part in the union activities  
at the time. He was very active. He was very active.  
were out months, because we could not get it going

Q226 BY MR. WILKINSON: I am not sure that you are not  
with him, when he was going to go back to his work, and



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his pay had dropped from 60 cents an hour to 55. That is what the Union had done for him.

Q. Those are general statements? A. We will start afresh. What was it you wanted me to say?

Q. I had asked you - we probably got a little off the beaten track, but I was trying to get definitely from you what your objection had been to this particular union that you say you started out deliberately to smash up? A. Owing to tactics they displayed.

Q. That is purely general. You say they were unreasonable; I wondered if you could tell us what the tactics were that you regarded as unreasonable, so that when the Commissioner reads this he will know.

A. They wanted to limit the hours of work.

Q. What limitations did they want put on?

A. That was a matter of agreement with them, bargaining.

Q. Just a moment, you regarded that as unreasonable? A. Yes, I did, of course I did. We could not afford to do that.

Q. Was the limitation that they wanted to put on hours of work any greater than the limitation that was eventually put on by the Codes? A. Not by the Codes, no, but the Codes were not in existence then.

Q. I say the Codes came along afterwards and put a limitation on that was greater than what the Union had asked for? A. Undoubtedly.

Q. That is one of the points that you regarded as unreasonable but apparently the Codes regarded that

is what the Union had done for him.

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start afresh. What was it you wanted me to say?

I had asked you - we probably got a little

off the beaten track, but I was trying to get definite

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was eventually put on by the Codes? A. Not by the

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I say the Codes were along afterwards and in

a limitation on that was greater than what the Union

had asked for. A. Unreasonable.

That is one of the points that you



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as reasonable? A. If the Canadian Government was to get up a code limiting the number of a man's hours to 36 a week I should have no further kick coming.

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Q. Of course, you would not be able to do much about it then? A. There would be one advantage about it that everybody would be treated alike."

THE COMMISSIONER: He means all employers, I suppose.

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MR. McRUER: Yes, my lord.

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Q. But your industry here is a little different from any other in that you are the only makers of viscose yarn in Canada, and you are protected by a tariff so that you are not subject to competition from some other fellow in the making of viscose yarn?

A. We are paying our men more than any other textile mill.

20

Q. I am not arguing the question. A. Well, why should I give - are you suggesting that I should give more than the basis of our agreement?

25

Q. I am not suggesting anything, Mr. Johnson; please do not think that. The question I am dealing with is your attitude toward unions, and you told me that in the States you deliberately broke up a union because their demands were unreasonable? A. Yes.

30

Q. One of the demands was that they wanted to limit the hours of labour, but the limitation that they put on was apparently not as drastic as the limitation that was eventually put on by the Code? A. That was an impossible condition.

SECRETARY WHITELEY: Just one point, they wanted

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Q. As reasonable? A. If the Canadian Government was  
to put up a code limiting the number of a man's hours  
in 10 or 12 hours, I think it would be a good thing.  
Q. Of course, you would not be able to do much  
about it then? A. There would be one advantage about  
it that everybody would be treated alike."

THE COMMISSIONER: He means all employers, I sup-  
pose.  
Q. Yes, my lord.

Q. But your industry, here is a little different  
from any other in that you are the only makers of  
viscose yarn in Canada, and you are protected by a  
tariff so that you are not subject to competition from  
some other fellow in the making of viscose yarn?  
A. We are paying our men more than any other textile  
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Q. I am not raising the question. A. Well,  
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Q. One of the demands was that they wanted to  
limit the hours of labor, but the limitation that they  
put on was apparently not as drastic as the limitation

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to reduce the hours without reducing the pay, wasn't that it?

THE WITNESS: Yes, of course they did; they wanted an addition to the pay as well.

SECRETARY WHITELEY: It was not merely a limitation of hours, it was a limitation of hours without any reduction in pay?

THE WITNESS: An increase in pay, and something more, limiting the amount of work that they were to do while they were at work.

BY MR. McRUER: Q. Was the increase in pay any greater than the increase that was provided for by the Codes eventually? A. That is rather complicated; no, I would not say it was.

Q. After the Codes came in with their prescription of hours of labour and rates of pay did your companies in the United States make money? A. Make money - well, we made a dollar or two. The United States is altogether different because it is closed entirely to importation of yarn so that I dare say if you were to take the rayon history of the States for the last three or four years the diagram of prices in the States has been up and down, up and down, up and down, three cents up, and five cents down."

THE COMMISSIONER: He says there the United States market was closed entirely to the importation of yarn. That is a fact, is it?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: That is a fact, is it?

MR. McRUER: Well, by the duties, apparently.

WAS

to reduce the hours without reducing the pay, wasn't

that is

THE WITNESS: Yes, at some point they had to

be willing to take a loss.

THE WITNESS: It was not nearly a limit-

less claim, it was a limitation of some kind.

THE WITNESS: Yes.

THE WITNESS: An increase in pay, and something

more, limiting the amount of work that they were to do

while they were at work.

BY MR. BRYCE: Was the increase in pay any

greater than the increase that was provided for by the

Codes eventually? A. That is rather complicated;

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to take the yarn history of the States for the last

three or four years the picture of prices in the

States has been up and down, up and down, up and down,

three cents up, and five cents down.

THE WITNESS: He says then, the United States

is a very different thing from the States of the

United States, is it?

THE WITNESS: Yes, it is.

THE WITNESS: That is a fact, is it?



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THE COMMISSIONER: That is what he meant. The duties are so high that there is none imported.

5 MR. McRUER: Mr. Dixon says there is 45 cents a pound duty, 45 cents minimum. That sounds like closing it out.

"Q. Do you have any competitors in the States in respect to viscose yarn? A. Yes, sir, I should say so.

10 "Q. You are in a better position in Canada than you would be in the States? A. We have got to Duponts and Enka." -- Enka is a Dutch firm, isn't it -- yes.

15 "Q. Do Duponts manufacture viscose as well as acetate? A. Duponts are the second largest makers of viscose in the States. Then, we have got Bemberg, Glanzstof, Shenandoah, and we have got Delaware and we have got Tubiz. We have a lot of competitors in the States.

20 "Q. Some of these companies are foreign companies, are they? Bemberg, is that not a German company? A. I will tell you what they really are; Enka is perhaps as good an illustration as any. That is a Dutch firm and they came here --"

25 THE COMMISSIONER: When he says "here" he means the United States?

MR. McRUER: Yes.

30 "--- to start business and there was a time when rayon was well, pretty prosperous, I will go as far as to say that. Of course, they could get all the money they wanted in Wall Street.

"Q. Just when was that? A. I should say 1927 and

1911

THE COMMISSIONER: That is what he meant. The  
duties are so high that there is none imported.  
MR. BRYDIE: Mr. Nixon says there is 45 cents a  
pound duty, 45 cents minimum. It sounds like closing  
it out.  
Q. Do you have any competitors in the States in  
respect to viscose yarn? A. Yes, sir, I should  
say so.  
Q. You are in a better position in Canada than  
you would be in the States? A. We have got the  
Dunlops and "Kokas" -- there is a Dutch firm, isn't it?  
Q. Do Dunlops manufacture viscose as well as  
acetyls? A. Dunlops are the second largest makers of  
viscose in the States. Then, we have got Benberg, Gies-  
sels, Rheinisch, and we have got Belchem and we have  
got others. We have a lot of competitors in the States.  
Q. Now, Benberg, is that not a German company?  
A. I will tell you what they really are; when it  
comes to good an intimate that we say. That is a Dutch  
company.  
THE COMMISSIONER: When he says "Dutch" he means  
the Dutch company.  
Q. -- to start business and there was a time when  
we to say that. Of course, they could get all the  
-- they wanted in Wall Street.

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1928 was about the time. Then, of course, they were associates in the sense that we exchanged technicalities with them through the German Glanztof.

5 Q. You say they were associates of yours; that is the Bembergs or are you referring to them all?

A. No, Enka, at that time, but no longer; that applies no longer, and Glanztof was the same. Enka represented Holland and Glanztof represented Germany.

10 Q. When you say they were associates of yours in regard to exchanging technicalities you mean --

A. Swapping patterns and that sort of thing; in fact, at one time there were certain financial understandings but they are more or less eliminated now. Then, there was the French; we were associated with the French too.

. What was the name of the French company?

A. Comptoir; we have a factory in France.

20 Q. Are you now in opposition to them? A. We are in opposition to them; we are at Calais. Of course, we have had a strike there; everybody has had a strike. We have even had a strike on the government's say-so. Every factory was ordered to close for two weeks.

25 SECRETARY WHITELEY: Are you now on the 40-hour week there?

30 X THE WITNESS: Yes, 40-hours; a funny thing there is that if you fire a man there you give him two weeks notice and you have to let him off two hours a day with his full pay while he looks for another job. Of course, he never looks for a job until the last day.

SECRETARY WHITELEY: You say that over in France

1888 was about the time. Then, of course, they

were associated in the sense that we exchanged tech-

nicalities with them.

Q. You say they were associates of yours; that is

the Remberts or are you referring to them all?

A. No, sir, at that time, but no longer; that applies

no longer, and Glusker was the same. I have repre-

sented Glusker and Glusker's company.

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regard to exchanging technicalities you mean --

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at one time there were certain financial understandings

but they are more or less eliminated now. Then,

there was the French; we were associated with the French

... that was the name of the French company?

A. Completely; we have a factory in France.

Q. Are you now in opposition to them? A. No, sir.

A. In opposition to them; we are at odds. Of course,

we have had a strike there; everybody has had a strike.

Q. Have even had a strike on the Government's say-so.

A. Every factory was ordered to close for two weeks.

Q. SECRETARY WITNESS: Are you now on the 40-hour

work week?

A. The witness: Yes, 40 hours; a funny thing there

is that if you fire a man there you give him two weeks

notice and you have to let him off two hours a day

... the witness: Yes, 40 hours; a funny thing there

is that if you fire a man there you give him two weeks



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you are paying 48 hours pay for 40 hours?

THE WITNESS: Yes, everybody does that over there."

THE COMMISSIONER: Is that a fact that the 40 hour day is already in force in France?

MR. McRUER: The 40 hour week.

THE COMMISSIONER: I mean week.

MR. McRUER: Yes, I think so. That is what he said. Mr. Kenyon has fairly recently been there, my lord --

MR. DIXON: He is in doubt, my lord, whether it is now in force.

THE COMMISSIONER: Yes, I am in doubt too. I have been reading about it and according to my information it is not yet in force. Mr. Johnson says it is here.

"BY MR. McRUER: Q. How much are you paying in France; what would a spinner earn an hour?

A. A spinner in France would get about - there was a time not so long since when he was getting about 12 cents.

Q. 12 cents an hour? A. Yes.

SECRETARY WHITELEY: In gold francs.

THE WITNESS: What do you mean gold francs?

BY MR. McRUER: Q. Do you mean 12 cents an hour when converted at par of exchange? A. Yes, when converted.

Q. That would be about two francs an hour?

A. 12 cents would be when converted - I mean equal to our cents - I will put it in English money, 6 pence, that is the best way to describe it.

You are saying 40 hours pay for 40 hours?

THE WITNESS: Yes, everybody does that over there.

THE WITNESS: I am not sure that is the case.

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12 cents - I will put it in English money, 6 pence



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Q. Or in French money about 2 francs ?

A. Well, what is the franc to-day, about tuppence hapenny? It is a little more to-day, it jumps about, but it comes to about the same thing. Now then, of course, this edict laid down by Blum, it has made them substantially better off than the Italians.

Q. What is the edict by Blum? A. Nationally definite instructions issued to the country as a whole giving the conditions on which you shall engage work people and work them.

Q. I was wondering what difference that makes in the rate of pay of spinners there? A. Well, one thing it has made this difference; first of all they are getting 48-hours pay for a 40 hour week.

A. That would increase their hourly pay by about one-fifth? A. Yes, about that, but that was done entirely under the idea that it would absorb unemployment, some of the unemployed people.

Q. When you established your factory in France I suppose it was to sell to the French market ?

A. It was to sell to the French market, but not entirely, but we had built it bigger than we thought the French market would absorb.

Q. I suppose you will take advantage of any favourable trade treaties France might have with other countries? A. Yes, that is what we did. We sent a good deal of the French yarn to South America. We sent it to those countries where we were troubled so much with Japanese competition, India, for instance, and Australia.

Q. Is your mill there both a spinning and

Q. Or is French money about 2 francs?

A. Well, what is the franc to-day, about two-pence  
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weaving mill? A. No, no weaving.

Q. Just spinning? A. Yes

Q. How big a mill is it? A. I think it is  
5 about the same size as Cornwall is to-day now that  
No. 3 unit is running, just about the same.

Q. Well, while I am on that, there is one other  
question I want to clear up with you before I go back  
to the labour question. Have you any working  
10 arrangement with your competitors in regard to  
markets? A. We have not a single working arrange-  
ment with any competitor anywhere. You mind my hesitanc-  
but one has to be up-to-date with these things. It  
is no good of my telling you something that was in  
15 existence five or six years ago.

Q. I have heard it suggested very often that  
there was a world cartel? A. Yes, yes.

Q. In viscose and acetate yarns? A. No.

Q. And it has been said if the tariff was taken  
20 off viscose yarn to-day the price that would be quoted  
by leading firms would be sufficient to leave Cour-  
taulds this market in any case? A. That has not  
applied for several years.

Q. But it did apply at one time? A. No. There  
25 is always ever since I have had anything to do with it  
and I am the oldest in the business, I have had a  
longer connection with viscose than anybody else,  
and there have never been less than two distinct  
30 groups.

Q. Two distinct groups; would that be acetate  
and viscose? A. No, I am talking about viscose;

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weaving mill? A. No, no weaving.

Q. Just spinning? A. Yes.

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No. 3 unit is running. Just about the same.

Q. Well, while I am on that, there is one other

question I want to clear up with you before I go back

to the labour question. Have you any working

arrangement with your competitors in regard to

markets? A. We have not a single working arrange-

ment with any competitor anywhere. You mind my point

but one has to be up-to-date with these things. It

is no good of my telling you something that was in

existence five or six years ago.

Q. I have heard it suggested very often that

there was a world cartels. A. Yes, yes.

Q. In viscose and acetate yarns? A. No.

Q. And it has been said if the tariff was taken

off viscose yarn to-day the price that would be paid

by leading firms would be sufficient to leave Con-

tinental this market in any case? A. That has not

applied for several years.

Q. But it did apply at one time? A. No. The

is always ever since I have had anything to do with it

and I am the oldest in the business, I have had a

longer connection with viscose than anybody else,

and there have never been less than two distinct

Q. Two distinct eras; would that be correct?



there was no acetate in those days at all.

Q. What were the two groups? A. The two definite groups undoubtedly were Comptoir and Courtaulds. That did not last long.

Q. Who was in the Courtaulds' group? A. Courtaulds practically themselves. Then there got three groups; another group was formed by the Glanztof, the Enka, and the Italians with the <sup>Enia</sup>Viscosa," --

THE COMMISSIONER: Is that Italian?

MR. KENYON: Yes.

"-- and then they squabbled. Now it has all gone west; now everybody is trying to sort of save his skin, but the most formidable thing of all, of course, is the Japanese situation. That is the one that is looming.

Q. Are you finding any competition from Japan in the Canadian market? A. Not in the Canadian market at all that I know of.

MR. JONES: There is practically no Japanese importations at all.

THE WITNESS: Why I say that, if I have asked for anything to demonstrate it they are never able to show me anything.

BY MR. McRUER: Q. You and I have had something of the same experience? A. It would be fair to say that we have probably lost 80 per cent. of our Australian trade to them and we have probably lost at least 80 per cent. if not more in the Indian market.

Q. Did you have a factory in Australia? A. No, we have not. I had a letter a day or two since; I don't know what I have done with it. I don't know

2042

there was no acceptance in those days at all.

Q. That were the two proposals A. The two deli-

mitments were made by the Government.

That did not last long.

Q. Who was in the Government's group? A. Con-

tinued practically themselves. Then there got three

groups; another group was formed by the Government, the

banks, and the Italians with the Visconti, --

The Commission: is that Italian?

Q. Yes.

Q. -- and then they separated. Now it has all

gone; now everybody is trying to sort of save his

skin but the most for the time being of course, is the

Japanese situation. That is the one that is looming.

Q. Are you finding any competition from Japan in

the Canadian market? A. Not in the Canadian market

at all that I know of.

Q. There is practically no Japanese

importations at all.

THE WITNESS: Why I say that, if I have asked for

anything to demonstrate it they are never able to show

me anything.

BY MR. WOOD: -- You and I have had something

of the same experience; A. It would be fair to say

that we have probably lost 60 per cent of our Aus-

tralian trade to them and we have probably lost at

least 50 per cent. It not more in the Indian market.

Q. Did you have a factory in Australia? A. No.

we have not. I had a letter a day or two since; I



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whether you know that chap Stephens, the Prime Minister for New South Wales? He happened to be on the Queen Mary the other day. Stephens - he is the Prime

5 Minister for New South Wales - we fell to talking about the possibilities of starting down there again. That was the address he gave me as being his address for a few days so I asked him would he call on his way across and he said he might call at our Marcus Hook  
10 plant just to see. When I was seriously thinking of starting operations in Australia I found the labour laws were entirely against it. For instance, the first nasty thing I was up against was this, that you cannot work a man more than four nights a week.

15 That was no use to us in a continuous operation, and that was one of the points that Stephens said he would go into for me.

Q. Well, coming back to the question of the labour conditions at your mill in Canada and particularly  
20 to your attitude toward trade unions; will you tell me in your own words what objection you have to recognizing a trade union organized among your workers in Canada? A. My reply to that is based, will

25 say, 90 per cent. on the proposals they brought which made it impossible to deal with anybody who had anything to do with the drawing of that document up.

Q. Don't you think that was rather arbitrary if the man had, we will say, exercised had judgment  
30 in drawing the document, that you should refuse to deal with the workers on the broad principle of failing

whether you know that cheap Stephens, the Prime Minister for New South Wales? He happened to be on the scene many the other day. Stephens - he is the Prime

Minister for New South Wales - we fell to talking about the possibility of starting down there again. That was the address he gave me as being his address for a few days so I asked him would he call on his way across and he said he might call at our Marous Hook

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if the man had, he will say, concerned had indignity in drawing the document, that he should refuse to deal with the workers on the basis of principles of fair

deal with the workers on the basis of principles of fair

deal with the workers on the basis of principles of fair



9848

to recognize a trade union, or being unwilling to recognize a trade union just simply because these men had drawn things in the document that you regarded as unreasonable? A. Please remember that at this time there were over 1700 people out of work in Cornwall. Our customers were naturally running the risk of being short of supplies, and there were no wages for them. They will have lost one-quarter of a million dollars in wages now or they will by the time they are back at work. My anxiety was to get something going so we could re-employ the people. First, foremost and all the time they were clamouring for recognition of a union, and it seemed to me they did not care a scrap for the condition of the people whom this dispute concerned. It was recognition of the union all the time. That was why I took my stand. We might have been arguing this until Christmas."

THE COMMISSIONER: I understand Mr. Johnson seems to mean there that the representatives of the workers were striving for recognition of the union.

MR. McRUER: Yes, my lord.

THE COMMISSIONER: And not for the interests of the workmen themselves.

MR. McRUER: That is what he says.

THE COMMISSIONER: That is what he means.

"Q. Why did you have to make it a term of the agreement you made with the employees - A. Because -

Q. Just a moment; do I understand it, is it a term that they shall not belong to a union? A. Yes."

2842

to recognize a trade union, or being unwilling to recognize a trade union just simply because these men had known things in the document that you regarded as unreasonable? A. Please remember that at this time there were over 1700 people bent of work in Germany. Our customers were naturally running the risk of being short of supplies, and there were no wages for them. They were have lost one-quarter of a million dollars in wages now or they will by the time they are back at work. My anxiety was to get something going so we could re-employ the people. First, foremost and all the time they were clamoring for recognition of a union, and it seemed to me they did not care a cent for the condition of the people whom this dispute concerned. It was recognition of the union all the time. That was why I took my stand. We might have been arguing this until Christmas."

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MR. JOHNSON: Yes, my lord.

THE COMMISSIONER: And not for the interests of the workers themselves.

THE COMMISSIONER: That is what he means.

Q. Did you have to make it a term of the agreement you made with the employees - A. Because -  
That is correct; do I understand it, is it -  
Yes, that they shall not belong to a union? A. Yes.



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THE COMMISSIONER: Is that agreement in writing?

MR. McRUER: Yes, my lord, it will be filed.

"Q. And if employees of your company join a union is it your proposal that you will dismiss them?

A. I am not in a position to say that. I am probably very weak in that direction; I might think differently.

Q. You have put a term in an agreement - I don't know with whom the agreement would be made -

A. Representatives of our work people.

Q. That is just of your plant? A. Yes.

Q. Representatives of your plant? A. Yes.

Q. They entered into an agreement on behalf of the workers and one of the terms in that they shall not belong to a union? A. That is right.

Q. Therefore I would take it that you would consider that the employees had broken their agreement if they joined a union? A. If I am of the same mind as I am now I shall take that just as you express it.

Q. And that you would dismiss them? A. I probably should.

SECRETARY WHITELEY: Here is the point, you have made an agreement with a group of your workers that they shall not belong to any union.

THE WITNESS: Yes.

SECRETARY WHITELEY: These workers are presumably representing the workers as a whole.

THE WITNESS: They are representing the workers as a whole, after I have had lists of names brought

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Q. Now, if I understand you correctly, you are saying that if the company join a union, it will be a union of employees of your company, is that right?

A. Yes, and if employees of your company join a union, it is your proposal that you will dismiss them?

Q. I am not in a position to say that. I am proposing that you will dismiss them if they join a union.

A. You have put a term in an agreement - I don't know with whom the agreement would be made -

Q. Representatives of our work people.

A. That is part of your plan? A. Yes.

Q. Representatives of your plant? A. Yes.

A. They entered into an agreement on behalf of

the workers and one of the terms is that they shall not

belong to a union. A. That is right.

Q. Therefore I would take it that you would con-

sider that the employees had broken their agreement

if they joined a union? A. If I am of the same

kind as I am now I shall take that just as you express

it.

Q. And that you would dismiss them? A. I

probably should.

Q. Now, my question: Here is the point, you have

made an agreement with a group of your workers that

they shall not belong to any union.

THE WITNESS: Yes.

Q. Now, my question: These workers are presumably

representing the workers as a whole.

THE WITNESS: They are representing the workers



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to me by a group of work people forming at least,  
the first time they came, at least 60 per cent. of the  
total operatives repudiating any union, or repudiating  
any wish to have anything to do with any union.

5 SECRETARY WHITELEY: The point is this, you have  
made an agreement with this select group of workers?

THE WITNESS: Yes.

10 SECRETARY WHITELEY: Who are supposedly repre-  
senting the entire body of workers?

THE WITNESS: That is right.

SECRETARY WHITELEY: Therefore you have committed  
yourself to an agreement with something or other which  
must be classed as an organization?

15 THE WITNESS: As what?

SECRETARY WHITELEY: As an organization.

THE WITNESS: Our people, all our people are an  
organization as a whole.

20 BY MR. McRUER: Q. What Mr. Whiteley is asking  
is Your employees have organized to the extent that  
they have made a collective bargain with you?

A. Yes.

25 A. Therefore, although they may not belong of-  
ficially to any particular union they are a union of  
their own. Now, you have recognized that principle in  
making a collective bargain with them? A. Yes,  
I wanted something done that would get the people  
back to work and partly in wording it like that to  
30 protect at least 60 per cent. of the people who did not  
belong to a union and had no desire to belong to a  
union.

to me by a group of work people forming at least  
the first time they come, at least 60 per cent. of the  
total operatives representing any union, or representing  
any wish to have anything to do with any union.

SECRETARY WHITELY: The point is this, you have  
agreed to represent with this belief that you

THE WITNESS: Yes.

SECRETARY WHITELY: Who are supposedly repre-  
senting the entire body of workers?

THE WITNESS: That is right.

SECRETARY WHITELY: Therefore you have committed  
yourself to an agreement with something or other which  
must be classed as an organization?

THE WITNESS: As what?

THE WITNESS: But people, all our people are an

BY MR. WOODWARD: What Mr. Whitely is asking  
is your employees have organized to the extent that  
they have made a collective bargain with you?

... Therefore, although they may not belong or-  
iginally to any particular union they are a union of  
their own. Now, you have recognized that principle in  
making a collective bargain with them. A. Yes.

I wanted something done that would get the people  
back to work and pretty in writing it like that so  
wrote at least 60 per cent. of the people who did not  
belong to a union and had no desire to belong to a



9851

4. You see, it may be that these people were afraid to assert what they would like because of your attitude. How is it you know that 60 per cent. of them did not want to belong? A. Because they brought me this documentary evidence.

Q. Who did? A. The representatives.

A. Who? A. Several of the spinners who wanted to get back to work.

4. Were they officials of the company in any way instrumental in getting in touch with these people?

A. Not that I know of; I have the strongest reason for saying ~~xx~~ no.

4. At any rate, some group of parties attempted to bargain on behalf of the employees? A. Yes. There were groups at every street corner.

SECRETARY WML ELEY: You have recognized this one group?

THE WITNESS: I have recognized the people who were within the group said to represent them all; I have not gone and questioned everybody individually I will tell you this that we were largely guided by the Union leaders in the selection of the deputation who should come to me.

SECRETARY WHITELEY: You are in this position; if you are going to commit each individual worker to a promise he will not join a union then you must deal with him individually if you refuse to recognize any organization.

THE WITNESS: I am recognizing no organization such as has been represented by the people who came to

You see, it may be that these people were  
afraid to assert what they would like because of your  
attitude. Now is it you now that 80 per cent. of  
did not want to belong? A. Because they brought  
this document.

Who? A. Several of the signers who want  
to get back to work.

Were they officials of the company in any way  
instrumental in getting in touch with these people?  
A. Not that I know of; I have the strongest reason  
for saying no.

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the Union leaders in the selection of the delegation

who should come to me.

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if you are going to commit each individual worker to

a promise he will not join a union then you must

deal with him individually if you refuse to recognize

the union.

Now, I am recognizing no organization



see me.

BY MR. McRUER: Q. Just what is it you mean by that? You see, I want to get it as clear as I can what you mean. I am not criticising it one way or another. A. I mean exactly what I said, and you cannot be in a position to weigh this logically unless you have seen what was going on at our plant and outside our plant during the days that they were out.

Q. What is it you refer to that was going on? A. I refer to the refusal to permit any yarn to be shipped in or out of the place. I refer to their assaulting the police who were put there to guard the property. I refer to their assaulting other work people who would have wished to come in. I refer to the arrest by the provincial police of how many -- 30. There have been 30 of them that have been arrested. Some of them come up for trial on Friday, isn't it?

MR. JONES: Yes.

BY MR. McRUER: Q. Well, all these things seem to me to be part and parcel of trade unionism ? "

MR. McRUER: I don't think that was the question I put. I think it should read -- "all these things do not seem to me to be part and parcel of trade unionism" -- that is the assaults and that sort of thing.

A. They start with that caper; that is how they start, this wild mob that we had, and we do know this that at least two of them have been actively associated

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and outside our plant during the days that they were  
 been your only way that was going on at our plant  
 cannot be in a position to weigh this logically un-  
 another. A. I mean exactly what I said, and you  
 what you mean. I am not criticizing it one way or  
 that? You see, I want to get it as clear as I can  
 BY MR. McPHERSON: Just what is it you mean by



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with trade unionism in England.

Q. Well, does that condemn them? A. Yes, sir, their actions in that union did.

5 Q. Not the fact that they were associated with trade unionism in England? A. I tell you No; we have got our biggest plant in England represented by a union.

Q. Where is that? A. Flint in North Wales.

10 Q. Courtaulds? A. Yes.

Q. It is located at? A. Flint.

Q. There is a union there? A. Yes.

Q. You have an agreement with the union there ?

A. Yes.

15 SECRETARY WHITELEY: Has there been a union at that plant since its inception?

THE WITNESS: No, the union has been created and gradually grown for the last ten years perhaps

20 SECRETARY WHITELEY: Was there ever any difficulty with it?

THE WITNESS: Difficulty, never anything else.

SECRETARY WHITELEY: You have had strikes there?

THE WITNESS: We had one.

25 SECRETARY WHITELEY: You recognized the union afterwards ?

THE WITNESS: Yes.

30 BY MR. McRUER: Q. What is your attitude then towards a union in your mill there; would you rather not have it? A. I don't know.

Q. Because I can say frankly, Mr. Johnson, in discussing this matter of trade unions with some

with trade unionism in England.

their actions in that union did.

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trade unionism in England? A. I tell you No;

we have got our biggest plant in England represented

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Where is that? A. Flint in North Wales.

UNIONIST: Yes.

It is located at? A. Flint.

There is a union there? A. Yes.

You have an agreement with the union there?

SECRETARY: Yes there been a union at

that plant since its inception?

THE WITNESS: No, the union has been created

and gradually grown for the last ten years perhaps

SECRETARY: Was there ever any difficulty

with it?

THE WITNESS: Difficult, some striking also.

SECRETARY: You have had strikes there?

THE WITNESS: We had one.

SECRETARY: You recognized the union

afterwards?

THE WITNESS: Yes.

BY MR. MOORE: What is your attitude then

towards a union in your mill? Would you rather

not have it? A. I don't know.

Because I can say frankly, Mr. Johnson, in



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very leading employers in England the impression I  
got was if they did not have trade unions they would  
organize one themselves; they were most unhesitating  
in their statement that they welcomed trade unions  
because it gave them an opportunity of dealing with  
their labour as a whole? A. Mr. McRuer, we are  
at loggerheads. The first proposal that we made  
to these people directly they came out, and this was--

THE COMMISSIONER: Pardon me, does that refer to  
Cornwall?

MR. McRUER: Yes, Cornwall.

THE COMMISSIONER: Well now, do I understand  
it that Mr. Johnson meant he would like to have a union  
of the employees here, a union of their own?

MR. McRUER: I understand that was the suggestion  
that was made.

MR. DIXON: Yes, my lord, in the agreement which  
was finally signed they undertook to organize a  
workmen's council. It has not been done yet.

THE COMMISSIONER: A workmen's council?

MR. DIXON: Yes, that is the reference here.

THE COMMISSIONER: We will hear about that later,  
I suppose?

MR. McRUER: Yes.

-- on the spontaneous suggestion of the man whom I  
have sent here to replace Mr. Linnett, was to create  
a works council. It is another word for a company  
union, if you like, and the idea is that we should  
have a body of these men and girls and meet say once  
in three weeks or once in four weeks and discuss all

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very leading employers in England the impression I  
get was if they did not have trade unions they would  
organize one themselves; they were most unhesitating  
in their statement that they welcomed trade unions  
because it gave them an opportunity of dealing with  
their labor as a whole? A. Mr. McHenry, we are  
at for example. The first proposal that we make

to these people directly they come out, and this was  
THE COMMISSIONER: Would you, does that refer  
generally?

MR. McHENRY: Yes, O'Connell.  
THE COMMISSIONER: Well now, do I understand

it that Mr. Johnson means he would like to have a  
of the employees here, a union of their own?  
A. McHENRY: I understand it was the suggestion  
that was made.

MR. McHENRY: Yes, my friend, in the statement which  
was finally signed they undertook to organize a  
workmen's council. It has not been done yet.

MR. McHENRY: Yes, that is the reference here.

THE COMMISSIONER: We will just about it a little

on the spot, on the question of the workmen's

have been here to replace Mr. Linnell, and to organize  
a workmen's council. It is another word for a company

have a body of men who are not



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5 sorts of matters that were connected with the con-  
ditions or hours or pay or anything. That is in one  
of the agreements that we have got. You stick so  
to the term union, you know, that I don't think you  
were connecting it with a company union. Duponts  
in the States have a company union such as you are  
referring to now."

10 MR. McRUER: I wonder if we might have a short  
recess.

THE COMMISSIONER: Alright.

-- The Commission adjourned for a short recess.

-- On resuming.

15 "Q. No, I am dealing with trade unions; the  
ones I mentioned that I discussed with the employers  
were well established national trade unions ?

A. You said if they did not they would have one in  
there.

20 Q. No, they did not want it in their mill; they

- Page 9856 follows--

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ditions of hours or pay or anything. That is in con-  
dition of the agreements that we have got. You stick to  
to the term union, you know, that I don't think you  
were connecting it with a company union. Duponts  
in the States have a company union such as you are  
referring to now."

MR. BRYCE: I wonder if we might have a short

recess.

10

THE CHAIRMAN: All right.

-- The Committee adjourned for a short recess

Mr. No. 1 am dealing with trade unions; the  
ones I mentioned that I discussed with the employer  
were well established national trade unions?

.. You said it they did not they would have one in

there.

.. No, they did not want it in their mill; in

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-- adjourned till 2 p.m.

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"wanted a national trade union? A. Oh, I don't mind having it somewhere else as long as it isn't in our own mill.

5 Q. No, you misunderstand me; I do not mean a union that is strictly confined to the one mill but a national union that has membership, a local organization in the mill. Now, that is the impression I got from leading employers in England, that their view was that it created a stability in their employ-  
10 ment because they were able to deal with the union men and settle small difficulties without disturbance in an oral way and if there were serious difficulties then they would be dealt with between the employers' organization and the men's organization in an oral  
15 way before the fire broke out?

A. In England we have got several thousand weavers; they are every one in the union. We have a good many dyers and they are everyone in the union.  
20 We have got this big plant at Flint and they are all in it. Here the first thing we see is a man- they have their mob and crowd and a man gets up there on a wooden box and he says "We are determined to make this place the centre for Canada of an  
25 industrial revolution."

Q. Now, leaving that out - A. I cannot leave that out.

30 Q. I think you must for the moment leave out of the question what a man might say from a box,

"wanted a national trade union?  
A. Oh, I don't  
mind having it somewhere else as long as it isn't  
in our own country.  
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that is strictly confined to the one mill but a  
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they are every one in the union. We have a good  
many years and they are everyone in the union.  
We have got this big plant at Mill and they are all  
in it. Here the first thing we see is a man-  
they have their mob and crowd and a man gets up  
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to make this place the centre for Canada of an  
Q. Now, leaving that out - A. I cannot leave

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25

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and deal with the principle both in England and here  
and not just the individual orations of a man.

We can go to Hyde Park and hear men say all sorts  
of things but we don't pay any attention to that.

Dealing with the principle of organized labour as a  
whole what objection have you got to it in Canada?

You recognize it in England; do you recognize it in  
England because you have to? A. I don't know--

how do you mean "we have to"? We are doing with  
the crowd; everybody is in it so we join it as the  
line of least resistance.

Q. Do you do it unwillingly? A. I would  
not have anything to do with it at all if the same  
childish tactics were advocated by any union as are  
here. I want to know what the union is, you  
see.

Q. I mean conducted as it is in England,  
have you any objection to it? A. None whatever.

Q. That is what I wanted. A. Well, I would  
have given that to you.

Q. So that in Canada your objections were to  
the methods employed by the leaders rather than to the  
principle of trade unionism? A. Yes, sir, yes, yes.  
I don't want to reiterate myself too much but haven't  
I already said it was owing to the tactics these  
fellows adopted.

MR. DIXON: I will ask Mr. Johnson a question that  
will make that clear later. I think perhaps

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and not just the individual orations of a man.

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have you any objection to it? A. None whatever.  
A. That is what I wanted. A. Well, I would  
have given that to you.

A. So that in Canada your objections were to  
the same principle as the tactics which you see in the  
principle of trade unionism? A. Yes, sir, yes, yes.  
I don't want to reiterate myself too much but haven't  
I already said it was owing to the tactics these  
fellows adopted.

MR. DIXON: I will ask Mr. Johnson a question that  
will come in a clear later.



Mr. McRuer will make it clear right now.

BY MR. McRUER: Q. Then, you would have no objection to a trade union organizing in the mill if they followed tactics similar to the methods followed in England? A. Well now, then, I will put a question to you.

Q. No, no, I want to arrive at some evidence some place.

MR. DIXON: You cannot make him answer it.

THE WITNESS: There are unions and unions.

MR. DIXON: Well, I think that you have given Mr. McRuer his answer, haven't you?

BY MR. McRUER: Q. Mr. Johnson, my question was you would have no objection to a trade union organizing in your mill providing that the employees - providing that the methods of organization pursued were similar to those followed in England? A. Mr. McRuer, I have met the members of ten different trade unions in England in fourteen days and got on with them like a house afire. We have had all sorts of unions and got on with them well but it is impossible with this bunch at Cornwall. Take the textile industry in Canada and the textile firms who are in a much better form to - what shall I say - sense the feeling of their employees and the trade generally, if they were to draw up some scheme of trade unionism I should welcome it; I should welcome it.

Q. I just don't quite follow that. A. Supposing





there were a whole lot of textile firms thought that quietness and peace would be restored in Canada, which is not good to-day, and they decided it would be a good thing to have a sort of congress of them, and arrange for a central authority, call them trade unionists, and they decide it would be in their interests to have this, I should be in with it.

Q. You mean organized by the employers or by the employees? A. Organized by both, but Cornwall is not the place to start that, no, no.

Q. I notice they have employers' organization? A. No.

Q. It is not? A. No.

Q. Of course, it is large enough that it can be its own organization? A. Well, I am not going to say it while these chaps are here; I am not going to say what I think about employers organizations, no fear, no fear."

THE COMMISSIONER: Do I understand it that this Company is not a member of this organization of which Major Hallam was the Secretary?

MR. MGRUER: I think it was a member once and withdrew.

MR. JONES: That is true.

THE COMMISSIONER: Which Association?

MR. JONES: The Silk Association.

Q. You are probably familiar with this; I don't know that it affects your business at all. In England a few years ago, I think it was 1932 the employers

there were a whole lot of textile firms thought that  
quietness and peace would be restored in Canada,  
which is not good to-day, and they decided it would  
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THE COMMISSIONER: Do I understand it that this  
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Major Hillier was the Secretary?  
MR. MORRIS: I think it was a member once and  
then it was not.  
MR. JONES: That is true.  
THE COMMISSIONER: Which Association?  
MR. JONES: The Textile Association.  
Q. You are probably familiar with this; I don't  
know that it affects your business at all. In England

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made application to Parliament for a bill that would give the force of law to an agreement made between the employers and employees in the weaving trade?"

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THE COMMISSIONER: Is that right, "The employers made an application to Parliament...."

MR. McRUER: That is right, the weavers in England.

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THE COMMISSIONER: And the bill was passed?

MR. McRUER: Yes, I have a copy of it.

THE COMMISSIONER: What is the name of the Act?

MR. McRUER: "Weavers temporary Provisions Bill".

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"A. Well, as I say, these things --

Q. Are you familiar with that? A. Yes.

Q. Did that affect your business? A. No.

20

A short time since we got as our counsel a certain John Taylor of a law firm, Manchester and Blackburn; This was the time when we had a bit of trouble at Flint and he drew up conditions of employment which we gave everybody to sign before we would re-employ them. One of them is 14-days notice. 14-days notice was very important to us to prevent the damage that we have suffered at Cornwall through leaving the work as they did. So there was one girl wanted to leave; she comes to our foreman and she said "I will stay fourteen days if you like," she says, "but I shan't do any work;" what will you do in a case like that?

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Q. Those are individual cases? A. This was

made application to Parliament for a bill that  
would give the force of law to an agreement made  
between the employers and employees in the weaving

made an application to Parliament...."

MR. MEMBER: That is right, the weavers in

England.

THE COMMISSIONER: And the bill was passed?

MR. MEMBER: Yes, I have a copy of it.

THE COMMISSIONER: What is the name of the Act?

MR. MEMBER: "Weavers temporary Provisions Bill."

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that we have suffered at Gornwell through leaving

the work as they did. So there was one girl

wanted to leave; she came to our foreman and she

said "I will stay fourteen days if you like," and

says, "but I shan't do any work," what will you do



an individual case but it disposed of 500 of them that agreed what they would do.

5 Q. One can get individual exceptions to any form of agreement, or anything, and even hardships, but we have got to deal with them on a little broader principle than just individual cases. I was asking you about this Act in England. What is the name of that Act, Mr. Whiteley?

10 SECRETARY WHITELEY: The Temporary Provisions Bill, I think.

BY MR. McRUER: Q. The Weavers Temporary Provisions Bill, I think it was. A. There will soon be no weavers."

15 THE COMMISSIONER: What does that mean 'there will soon be no weavers'?

R. McRUER: I think he is pessimistic about the industry in England.

20 MR. DIXON: He goes on a little later and says he is an old weaver.

THE COMMISSIONER: Is he speaking of any particular weaving or just silk?

25 MR. DIXON: I do not think it is a matter of great importance.

30 "Q. That applied to you? A. Our Textile Department, one of our Managers indirectly, Mr. Addison, that is his duty to see to all textiles, weaving and that, that is the Lancashire Mills and the Essex Mills. He has nothing to do with the spinning.

an individual case but is disposed of 200 or 300

that agreed what they would do.

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of agreement, or anything, and even hardships,

but we have got to deal with them on a little

broader principle than just individual cases. I was

asking you about this Act in England. What is the

name of that Act, Mr. Willems?

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Bill, I think.

BY MR. WILKINSON: The weavers' temporary provisions

Bill, I think it was. A. There will soon be

no weavers."

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THE CHAIRMAN: What does that mean, there

will soon be no weavers?

A. MORTON: I think he is pessimistic about the

industry in England.

MR. DIXON: He goes on a little later and says

he is an old weaver.

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MR. DIXON: I do not think it is a matter of great

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A. Our textile

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and that, that is the Immigrant Bill and the Essex



"Q. The agreement that was entered into between the union and the employers was made law by the passing of the Order-in-Council? A. It never got very far.

5 Q. It is in effect now? A. It may be in effect but I think it is known better by its non-observance than its observance.

Q. Is the Order-in-Council not observed?

10 A. I am not familiar with the particular one you are talking about.

Q. I don't think it is necessary for us to go into that. I want to ask you this question; if the employees are not permitted to organize as a body for the purpose of improving their conditions how can they get working conditions improved? They are entirely in the hands of their employers are they not? A. Well,--

20 Q. Have you any suggestion as to how the matter can be handled in any other way than by organizing unions? A. Well, I have had well over 50 years experience of the trade unions one way or another and I have generally managed to come to some form of agreement with them.

25 Q. The only form of agreement in Canada seems to be that your employees shall not belong to one? A. As far as our strike at Cornwall is concerned, sir, they are returning to work under infinitely better conditions than they went out, and they have nothing to complain of there.

"6. The agreement that was entered into between

the union and the employers was made law by the  
passing of the Order-in-Council? A. It never got

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conditions than they went out, and they have nothing

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"Q. That seems to speak something for the effectiveness of the organized action of the employees?

A. No, sir, it has nothing to do with it.

5 Q. You say the conditions on which they are going back are better? A. I did that of my own

free will, and they would have been pleased to resume work with a cut in the wages.

Q. You gave it of your own free will;"

10 THE COMMISSIONER: When you say "You gave it of your own free will" - it is important to know what was done.

MR. McRUER: Well, the increases that were given.

15 THE COMMISSIONER: There was increase given?

MR. McRUER: Yes.

"why did you not do it sooner? Why did you wait until conditions were drawn to your attention?

A. Our attention was not drawn to the conditions.  
20 They walked out.

Q. That is one thing, if there had been an organized trade union it is not likely that there would have been precipitated a strike? A. There was an organized trade union.

25 Q. Yes, I know, but it did not get very far; if there is a properly organized union then there may be negotiations that might avert a strike where matters can be adjusted? A. You will have negotiations,  
30 sir, that would take up 90 per cent. of your time on the most frivolous little things you could possibly

"... that seems to speak something for the effectiveness-

ness of the organized action of the employees?

"... No, sir, it has nothing to do with it.

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work with a cut in the wages.

Q. You gave it of your own free will?"

THE COMMISSIONER: When you say "You gave it of

your own free will" - it is important to know what

was done.

MR. ROBERTS: Well, the increases that were given.

THE COMMISSIONER: That was the answer given.

MR. ROBERTS: Yes.

"Why did you not do it sooner? Why did you wait until

the situation was so serious as to force attention?

A. Our attention was not drawn to the conditions.

They walked out.

Q. That is one thing, it there had been an

organized trade union it is not likely that there

would have been any such delay in getting a strike.

was an organized trade union.

"... Yes, I know, but it did not get very far; if

there is a properly organized union then there may

be negotiations that would have been averted.

A. You will have negotiations,

sir, that would have up to 50 per cent. of your time on



imagine.

Q. Well, those are handled by committees?

A. Are you to pay a committee to attend to things that are not worth notice?

Q. For instance, one of the things they handle in the English trade unions will be the character of the yarn that is supplied to the employees. There will be large breakages and a complaint made in regard to that and that will be investigated by both sides and adjusted. Would you term that a frivolous matter? A. I should say it is. I am an old weaver, and where you get one case that would need a conference between the employee and the employer you have 50 cases where it would be dealt with in a moment and say whether it was right or wrong; of course it would.

Q. They would not reach that stage? A. They would never reach such a stage as that, oh, no.

Q. Well, have you any observations that you want to make on the fact that your total net profit before depreciation amounts to 5 per cent. more than your total mill wages paid? A. No, I have not; the only observation I have got to make on that is this that before you can get any kind of comparison made with regard to that, or the value of any comparison, you would have to study closely how much your raw material had cost you, how much other supplies had cost you in transforming the sheet of paper into a

Q. Well, those are handled by committees?

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material had cost you, how much other supplies had

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skein of yarn; there is something goes into it besides wages.

5 Q. Oh yes, I understand that, but the representations that were made to the government for an increase in the tariff were principally founded on the benefits that the employees would derive. I am only concerned now with the tariff looking at an industry which is very highly protected?"

10 THE COMMISSIONER: By the way, raw material of this company is obtained in Canada?

MR. McRUER: Some of it, my lord, and I understand some of it they import. Some of the chemicals you import?

15 MR. JONES: A very small percentage. A very small percentage of our raw materials are imported, only those not made in Canada.

20 "A. From that point of view you might take it that had that tariff - or rather, I will put it this way, had that tariff been substantially reduced it would have been to the disadvantage of the works people because there would have been so much less employment; the yarn coming into the country being substituted for that that was made in the country.

25 Q. There might be some less employment, but, of course, we have got to look at that in a very broad way too, as to whether the cheaper yarns coming into the country could not be woven to give the people cheaper cloth and employ more weavers that way?

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THE COMMISSIONER: By the way, the material of

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MR. ROBERTS: Some of it, my lord, and I understand

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of the whole people because there would have

been so much less employment; the yarn coming into

the country being substituted for that that was

the tariff.

9. There might be some less employment, but,

of course, the tariff is not the only thing that

there are many other things that would have



A. Cheap cloth--

Q. They would have to compete with yours on that score? A. Yes.

Q. How far do you feel that a tariff has to be maintained now where you have what I think appears to be a very handsome margin of profit?

A. As I said earlier on that margin of profit does not apply to-day, and I am only sorry that I cannot just interpret what Mr. Norman Linnett meant in his letter besides I was not here, and it was more or less an internal matter that they could settle themselves.

Q. Well, there has been \$1,305,000 in about nine years written off to good will; there has been \$1,567,000 paid in dividends? A. Are you suggesting that we did not need that tariff?

Q. I am not suggesting anything; I am just asking any observations you want to make because, you see, you are in the position that you have no competitors in the viscose operations in Canada at all. I am wondering if you have any explanation as to why no other body has started up a viscose business?

A. They have not thought this market was worth it.

Q. Are you honest in that? A. That is a fact, that is a fact, sir; oh yes, I am not talking nonsense.

MR. JONES: There has been one or two people.

THE WITNESS: You must not misunderstand me; they have been here and it has been very closely

A. Okay class--

6. They would have to compete with yours on that

7. How far do you feel that a tariff has to be

maintained now where you have what I think appears

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That is a fact, sir; on yes, I am not talking

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12. There has been one or two people.

13. You want to say that?



investigated by serious people. Oh no, I am not trying to fool you, not at all.

5 BY MR. McRUER: Q. Well, both the viscose and acetate people seem to have done extremely well in in the last few years. I was just wondering why there was no other body; we have one acetate company and one viscose company and that seems to be all, just the two who have ventured here.

10 A. I don't know - to put this right, it appears we have got one of three things. We could either have sold our yarn at very very low prices and minimized our profits that way. We could have paid fifty per cent. more in wages which would have been another way. That is about all I see. I am just wondering which would have been the proper thing to do, Mr. Dixon?

15 MR. DIXON: I am one of those people you cannot compel to answer, either.

20 SECRETARY WHITELEY: Your process is continuous in the viscose?

25 THE WITNESS: It is continuous to this extent that although we put up this third unit in Cornwall our demands for yarn are not sufficient to keep it going continuously, the three units, so that at a great inconvenience and at a certain expense we suspend operations on Saturday night until Sunday night. Every plant in the States, every plant in 30 England, and our plant in Germany are running

investigated by various people. Oh no, I am not trying to fool you, not at all.

MY MR. WOLFE: Well, both the viscose and acetate people seem to have done extremely well in the last few years. I was just wondering why there was no other body; we have one acetate company and one viscose company and that seems to be all, just the two who have ventured here.

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continuously. We did run continuously a short time since, and by not running continuously we are at a certain disadvantage.

5 SECRETARY WHITELEY: Now do you operate in England?

THE WITNESS: Continuously."

THE COMMISSIONER: "Continuously" means including Sundays?

10 MR. JONES: Seven days, 24 hours a day, 168 hours a week.

"SECRETARY WHITELEY: What arrangements do you make with your men?

THE WITNESS: For work?

15 SECRETARY WHITELEY: Do they work six or seven days a week?

THE WITNESS: They work shifts, so many hours a day.

THE SECRETARY: Do they work seven days a week?

20 THE WITNESS: Not every week; we are very reluctant to get rid of men, and suppose we are not quite so busy we run continuously but we give a fellow a holiday perhaps one week in eight, or one week in seven, but the plant is running continuously.

25 SECRETARY WHITELEY: You have an eight-hour day there?

THE WITNESS: Yes, the same as we are here.

30 BY MR. McRUER: Q. Mr. Johnson, you said there were four meetings with your work men? A. Yes.

Q. Did you represent the Company at all those meetings? A. Yes, I did.

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ago, and by not running continuously we are at a  
certain disadvantage.

SECRETARY: Will you do your operating in English?  
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THE COMMISSIONER: "Continuously" means including  
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MR. LAMONT: Seven days, 24 hours a day, 168 hours

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THE COMMISSIONER: Do they work seven days a week?

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the plant is running continuously.

SECRETARY: Will you have an eight-hour day

there?

THE WITNESS: Yes, the same as we are here.

THE COMMISSIONER: Yes, the same as we are here.

Were you meeting with your work men?

Q. Did you represent the Company at all times

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Q. Was there anyone with you? A. Yes, Bill Jones and Kenyon.

Q. So I suppose if there are matters that come before the Commission in regard to these meetings that either Mr. Jones or Mr. Kenyon can give evidence in regard to them? A. Yes.

Q. There may be certain statements made of what took place? A. Certainly, but I would suggest that Kenyon's experience for your purpose would be worth more to you than Jones'. I am not saying it in disparagement of Jones, but Kenyon has been one of our plant managers for a number of years. I think you will find him a far more satisfactory witness than me.

Q. We can get, no doubt, a full version of what the Company's attitude was from them? A. Certainly.

Q. I don't know how far the Commissioner will desire to go into it but my object in bringing you here Mr. Johnson, was so that we might hear anything you had to say because you were going to be absent, but I rather take it that the Company's position can be put by the local officials. I don't know that there is anything more. Is there anything you want to ask Mr. Johnson, Mr. Beauregard?

MR. BEAUREGARD: No.

MR. DIXON: There are just one or two questions,

if I may, Mr. McRuer? A. Yes.

BY MR. DIXON: Q. Mr. Johnson, you said that a

James and Kenyon.

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to ask Mr. Johnson, Mr. Beauregard?

MR. NIXON: There are just one or two questions

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term of the agreement of settlement was that the employees should not belong to a union? A. That is right.

Q. Are you sure that is right, that the term is not this, that no union is recognized in the settlement? Is there another clause which says the employee shall not be a member of a union?

A. That is the wording of that? If you had done what I said you could have answered this question.

MR. JONES: I am not allowed to answer it, sir; they are asking you the questions. There will be no recognition of any union.

BY MR. DIXON: Q. That is what I understood; there is no clause to it which says no employee shall be a member of a union? A. No.

Q. We will produce that and make better proof of it later? A. Would it help you if I sent you a copy of that agreement?

MR. McRUER: Mr. Dixon will let us have copies.

BY MR. DIXON: Q. I understand one of your objections to the Union which was in existence at Cornwall was that they brought your men and women out on this strike without notice? A. Yes.

Q. And that the plant suffered serious damage?

A. Very much, and they are suffering now for that.

Q. Just to put it on the record, in what way was the plant damaged by this strike? A. Viscose is a very thick liquid about the consistency say of

...the agreement of settlement was that the employees should not belong to a union?

...the you are that is right, that the term is not this, that no union is recognized in the settlement.

...employee shall not be a member of a union? ...that is the wording of that? If you had done

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...copy of that agreement? ...Mr. Dixon: Mr. Dixon will let us have copies. ...I should be one of your objects

...to the union which was in existence at Cornwall ...that is what I am looking for ...I am looking for that

...strike without notice ...I am looking for that ...I am looking for that

...I am looking for that ...I am looking for that ...I am looking for that



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glycerine. And left in the tanks and the communicating pipes to the spinning frames that in one week becomes quite gelatinous. If you might use an ignorant description of it you might say it becomes about the consistency of liver; you know what I mean. Then, of course, it is useless because it is no longer possible to pump it or to spin it through the very fine orifices in the spinning jet, and which is generally according to the size we are spinning from two and a half one-thousandth of an inch in diameter up to four one-thousandths. Naturally, leaving us in this position all the tanks had to be scraped on the outside, the manhole lids taken off, all the piping adrift and the viscose either drilled out or burned out. Then, when the yarn is first made, first spun, it only consists of about 26 or 27 per cent. of real cellulose. The rest is water, sulphuric acid, sodium sulphate, glucose, and it is the duty of another department to wash out the skeins directly the girls have reeled them into skeins. The girls by leaving the work suddenly prevented their doing that reeling, and yesterday was the day fixed for destroying 20,000 pounds of yarn, chucked it on the dump. You could not burn it because the sulphuric acid that is in it prevents you burning it so we had to bury it.

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out. Then, when the year is first made, first  
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of real cellulose. The rest is water, sulphuric acid  
sodium sulphate, glucose, and it is the duty of  
another department to wash out the spinning directly  
the spins have reeled them into bales. The  
spins by leaving the work suddenly prevented their  
doing last reeling, and yesterday was the day fixed  
for destroying 20,000 pounds of yarn, because it was  
the dump. You could not burn it because the  
sulphuric acid that is in it prevents you carrying  
it so as to burn it.

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MR. McRUER: Q. That would the value of the 20,000 pounds be?

MR. DIXON: 57 cents a pound, less the cost -

5 THE WITNESS: Less the cost of the last operation; of course, that is only one item. There is the cost of all this viscose which had become gelatinous. You could put it this way, I suppose, - what do you produce in a week?

10 MR. JONES: 200,000 pounds, about 200,000 pounds.

THE WITNESS: Suppose that we reckon it that you lost a week's work in the different stages of the process, 200,000 pounds at the present day selling price, 57 cents, that would represent - no, there is something to come off that for the incomplete operations.

15 If you said - well, suppose you said 40 cents, but, of course, Mr. McRuér, he is making a mental calculation how much profit there is in that.

20 MR. McRUER: My brain does not work nearly as fast as yours, Mr. Johnson.

25 BY MR. DIXON: Q. There is just one other question; I understand right from the beginning, from the time you arrived on the scene of the strike you were willing to deal with the representatives of the workmen? A. Yes, I have been.

30 Q. You have completed this agreement with their representatives? A. That is right; going back to that part it would not have been fair of me not to

Q. Now, if you had a pound, less the cost -

THE WITNESS:

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THE WITNESS: Less the cost of the last operation

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BY MR. BRIDGE: There is just one other question

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Q. Now, if you had a pound, less the cost -

Q. You have completed this agreement with their

representatives? A. That is right; going back



see the thing through, to leave these other gentlemen with it. As sure as anything there would have been something left out.

5 BY MR. McRUER: Q. Mr. Johnson, --

A. I am even prepared now if I find there there are some nasty snags, I am even prepared to come up here again, and go from Quebec.

10 Q. Mr. Johnson, I am still not clear as to what your attitude is in Canada in respect to trade unions. Apparently you have caused a term to be included in your agreement that there is no recognition of any union? A. That is right.

15 Q. Now, if a group of your employees attempted to organize a union in the mill would they be discharged? A. Oh well, I don't know, I am not prepared to answer that; I am not prepared to answer that.

20 Q. Or if they became members of, we will say, the United Textile Workers, that is the Union, the International Union? A. Obviously the first thing if they attempted anything of that sort, it would be on account of some dissatisfaction they had with the existing conditions.

25 Q. Maybe not. A. What?

30 Q. Maybe not; I can easily conceive of labour wishing to organize in order to create stability, not that they had got any immediate dissatisfaction at the present time, but in order to prepare for the future?

A. I am not going to commit myself as to what my

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with it. As sure as anything there would have been

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existing conditions.

A. Maybe not; I can easily conceive of labour  
wishing to organize in order to create stability, and  
that they had got any immediate dissatisfaction as



actions should be in the future.

5 Q. Then, may I put it this way; you are not prepared to say they would not be discharged on that account? A. No, I shall not commit myself to any direct answer to that.

10 Q. Then, I guess that is the best I can do because I would like to have that on the record? A. I wish you would come and spend about twelve months in England holding discussions with the unions. You would learn a trick or two.

15 Q. I venture to say, Mr. Johnson, that the union men don't know all the tricks? A. Do you think I should go and discuss it with them without knowing a bit about it?

Q. I won't ask you to answer that question.

20 There is one other point I want to ask you about if you have any information on it. According to the papers one of the matters that the employees raised during the strike was the question of the effect of fumes on the eyesight of the operatives; did that come to your attention? A. Yes.

25 Q. That was discussed? A. Yes, that was discussed; I will tell you what happened. Hindsight is better than foresight any time. Unfortunately, about twelve months since one of our fume stacks showed signs of decay. It was rather an urgent matter to repair. We were wanting the yarn and the people did not want to be laid off. So we did some-

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actions should be in the future.

Q. Then, say I put it this way; you are not prepared to say they would not be discharged on the accounts? A. No, I shall not commit myself to any direct answer to that.

I would like to have that on the record? A. I will you would come and spend about twelve months in the holding discussions with the unions. You would like to do that?

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thing, Mr. McRuer, that did not pan out quite right.  
That is the stack (illustrating on sheet of paper);  
that is the stack, 250 feet high.

5 MR. JONES: No. 1 and No. 2, that is No. 2.

THE WITNESS: No. 2; this stack was dickey.

BY MR. McRUER: Q. It was which? A. It was  
wrong; we have another stack out here.

10 Q. Are those fume stacks? A. Just for fumes;  
this here went wrong so we tried to by-pass the fumes  
into there, and we found out after a couple of days  
it did not answer so there was nothing left but to  
shut that off and stop operations in that one  
15 unit, you see. They shut operations and it was shut  
for several days. Now, this year we wanted to  
repair the other one. We started off on the  
assumption that it would be a failure to get  
double fumes up that one. There was such a howl because  
20 we wanted them to play a week or two. They said they  
would put up with anything, but that won't happen  
again because we shall insist on the plant standing---

THE COMMISSIONER: "Insist on the plant standing"?

25 MR. DIXON: Means standing still, my lord.

THE COMMISSIONER: You mean standing idle?

MR. DIXON: Yes, my lord.

"---while these necessary repairs are done.

30 Q. Were the complaints in regard to the effect  
of the fumes on the eyesight confined to this time  
alone? A. Yes.

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that is the stock (illustrating on chart of  
the Mr. McPherson, that did not run out quite

that is the stock, 200 feet high.

Mr. McPherson: No. 1 and No. 2, that is No. 2.

Mr. McPherson: No. 2; this stock was cleared.

Mr. McPherson: Is it not wrong? A. It was

wrong; we have another stock out here.

Q. Are these two stocks? A. Just for future;

this stock was cleared as it would be by-pass the

into frame, and we found out after a couple of

it did not answer so there was nothing left but

that that off and stop operations in that one

and, you see. They shut operations and it was a

the several days. Now, this year we wanted to

restart the other one. We started off on the

assumption that it would be a failure to get

double times up that one. There was such a howl

we could hear it for a week or two. They said

that was the only thing, and they were

that was the only thing, and they were

the plant standing?

MR. DIXON: Means standing still, my lord.

THE COURT: You mean standing still?

MR. DIXON: Yes, my lord.

THE COURT: That is all right.

THE COURT: That is all right.



Q. Just this couple of days? A. Certainly.

Q. Just these two days? A. There may be

times - you see, the volume of fumes depends entirely on the size of the yarn that you are making.

5 Naturally the heavier sulphuric you are generating is in accord with the amount of viscose you are spinning. Now, that matter can be easily got over, which they will do in future. Supposing it was very heavy, just a new spinningframe. Now then, 10 if we get some pretty heavy denier to spin in future we would never do it at one end of a shed.

Q. I see; that is, you would distribute the heavy denier over the units? A. Yes, that is what 15 we should do.

Q. The fumes would not be concentrated in one place? were there any instances of complete blindness?

A. No.

Q. None at all? A. No.

20 Q. Were there any instances of people being laid off for a term as a result of injury to their eyes?

A. For a few hours.

Q. I mean for a few days? A. No, I don't

25 know of one; they cannot quote any to me. There is one thing I should put in here and that is this. This is not trade union at all but naturally you go to a plant and find there have been one or two men always getting heavy denier, or in cold weather, 30 that is another thing. It drops more fiercely.

Q. Just this couple of days?

A. Just these two days?

times - you see, the volume of times before and

ly on the size of the yarn that you are making.

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is in accord with the amount of viscose you are

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A. I mean for a few days? A. No, I don't

know of one; they cannot close any to me. There is

one case I would say in which the eye is injured.

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to a plant and find there have been one or two men

always wearing heavy denim, or in cold weather,

that is another thing. It might come from that.

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Q. I see, it won't rise? A. No. There were instances where a man might find he was affected, his eyes, after three hours' work and I did not think that was at all fair. This matter cropped up, it cropped up once in America when I was discussing it with them and I said, "All right, let him go home and pay him for the shift, pay him for the complete shift." Another thing I suggested over at Cornwall was that we get a man who is temporarily affected; well, the best thing is to keep him about the place and keep an eye on him and he can be treated by the nurse. It is a matter of just washing the eyes.

Q. Has there been any case where the eyesight has been permanently affected? A. No.

Q. Or they have had to discontinue employment of that kind? A. No. At one of our meetings I said, "Now then, you take some people; well, they are more subject to eczema than others. Anyone who has got weak eyes, it is understood that he be transferred to another department altogether where there isn't such a thing crops up."

Q. There was a suggestion that where they had been laid off on account of this the firm required them to have a certificate of a doctor that their eyes were all right and that if they did not have that certificate then the firm refused to take them back; did any of those cases come to your attention?

A. No.

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and pay him for the shift, pay him for the company  
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are more subject to cataracts than others. Anyone who  
has got weak eyes, it is understood that he is  
transferred to another department altogether where  
there isn't such a thing crops up."  
Q. Have you suggested that some men who are  
not fit for work, or who are not fit for the  
to have a certificate of a doctor that their eyes  
are not fit for work, or who are not fit for the  
certificate then the firm refused to take them  
any of those cases come to your attention?

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MR. JONES : It is news to me; I have never heard of that.

5 BY MR. McRUER: Q. Well, what is more important, no such cases were put before you during your negotiations? A. No, oh no. I will give you another instance; at the same time as they mentioned ventilation they mentioned sanitary accommodation. So I asked for an illustration of this and apparently-  
10 we have rooms there, of course, where the men wash their hands and the wash bowl, one wash bowl was underneath a window and these fellows have got into the habit of using this wash bowl as a step to get to this window. It was not intended for that and it broke down. On several occasions the foreman over the spinning moved that away and that was that that was based on. They admitted that to me.

15 Now, going back to these eyes, as I told them it is obvious if you get anybody who is affected to this extent we must see he has work in another department, and then I quoted the case of eczema. I also said 'Five or six of you go on the razzle at night and you get drunk and you all six won't have sick heads the next morning but one or two nights.' when you get anything like that you have to keep your end up. You cannot always be finding time to discuss these ethics of the thing or the theory of it.

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30 Q. You said that the employees were going back to work -- A. Yes, sir.

MR. LORR: It is news to me; I have never heard  
of that.  
BY MR. LORR: Well, what is more important,  
which cases were put before you during your  
negotiations? A. No, oh no. I will give you  
another instance; at the same time as they went  
to the...  
So I asked for an illustration of this and a person  
we have known for a long time, of course, when the men  
their hands and the same bowl, one was bowl was  
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ethics of the facts or the theory of it.

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Q. --following this strike under better conditions than they went out? A. Yes.

Q. And that these conditions were given to them of your own free will; what have you reference to, what conditions, what improvements have been made?

A. Well, I referred already to the differential in the rates.

MR. DIXON: No, you have not.

THE WITNESS: Oh, I am sorry.

BY MR. McRURR: Q. Just tell me what improvements have been made? A. I will tell you.

MR. DIXON: We were talking about that this morning earlier?

THE WITNESS: I am sorry; you take a processing girl, that is, winding, warping and pirning. For some reason or another because it was sort of - I was going to say more lady-like employment they got away with it on a three cents per hour less rate than the reelers did. That did not strike me as being fair so I said, - this was not in discussion with the work people to start with. We had made up our minds to do this. So I said, "All right," and I came to talk to them, 'I am going to have that matter put right.' Another instance was the men in the bleach department. They are all on day-work, or at the most occasionally two shifts, and these men, you cannot stop the machines so they get their meal at irregular intervals, do you follow me, and so

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MR. BRYDIE: No, you have not.  
THE WITNESS: Oh, I am sorry.  
BY MR. BRYDIE: Just tell me what improvements  
have been made? A. I will tell you.

THE WITNESS: I am sorry; you take a processing  
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in the electric department. They are all on day-work,  
or at the most occasionally two shifts, and the one set  
you cannot stop the machines so they get tired at  
at irregular intervals, so you follow me, and so



they claimed they ought to be paid for that half hour which they took. Well, that was obvious without any trade union, and I said 'You may be paid for that'. Perhaps the most irregular thing was that in two of the spinning sheds the men who were oiling - it is an important job, you know that your motor cannot do much if you do not oil it; in two sheds they were paid 40 cents an hour and the other shed was paid 45 cents. Well, I satisfied myself as to that so I put them on at 45. This was before we talked with the union. These were cases that struck me when I was going into the running of things as being little matters that wanted uniformity. I think those are about the principal ones.

Q. Were there any changes in working conditions?

A. No, not what you would call conditions.

Q. You made no changes? A. No, I do not see how we could make any conditions unless you were to say 'All right, we will be satisfied with half work.' It would be no more reasonable than if the clerks in your office would come in and say 'There is half a dozen of us here, it would simplify matters if you engaged eight, you might engage eight.'

SECRETARY WHITELEY: Do some of your workers have to buy working equipment?

THE WITNESS: They all have to buy working equipment. You never saw me go to work in a top hat and frock coat.

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SECRETARY WILKINSON: Do some of your workers have  
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A. Yes: They all have to buy working equip-  
ment. You never saw me go to work in a top hat  
and a black coat.

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SECRETARY WHITELEY: They buy gloves?

5 THE WITNESS: Yes, I explained that to them yesterday and satisfied them fully. We used to provide a lot of our men in England with overalls. There were certain public houses you could go in and you could always be sure of a new pair of overalls for about half price.

10 MR. JONES: Actually Cornwall is the only place where they wear these gloves. Nobody else uses them.

15 THE WITNESS: That was mentioned, of course, and I was quite prepared to discuss that with them fully and if they could have beaten me on that argument or shown any reason I was prepared to give them something else, but they did not get as far as that.

MR. JONES: You did not mention, sir, that all the men are getting another two cents an hour.

20 MR. McRUER: What is this?

MR. JONES: Under that agreement.

THE WITNESS: Yes.

25 MR. McRUER: What is this; I did not quite catch that.

MR. JONES: All the men are having their rates increased two cents an hour.

THE WITNESS: Does that come under the heading of conditions?

30 MR. JONES: No, that was something you missed.

MR. McRUER: Q. I want all the things.

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SECRETARY WILKINSON: They pay gloves?

THE CHAIRMAN: Yes, I understand that in some cases they and assisted them fully. We used to provide a lot of our men in England with overalls. There were certain public houses you could go in and you could always be sure of a new pair of overalls for

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of conditions? MR. JONES: No, that was something for all men. MR. JONES: I want all the things.



A. Mr. McRuer is talking about conditions.

Q. I thought we had everything to do with the

improvement in wages? A. No, we gave them two

cents an hour more, everybody, except I told you

earlier on there were three men, switchboard men.

Q. Are most of your men an hour rates, your

employees on hour rates?

MR. JONES: Everybody is paid by the hour, there

is no piece work.

THE WITNESS: There are the reelers; it provides

them with a little bonus.

MR. JONES: If they make more than what is set

down.

THE WITNESS: Which adds substantially to their

wages.

BY MR. McRUER: Q. Now, your two cents an hour

increase applied to men only? A. No, both, male

and female.

MR. DIXON: I understood you to say it was about

one cent an hour with the girls.

THE WITNESS: We gave the girls, all the processing

girls had three cents an hour to make it up to the

reelers. The reelers we gave one cent an hour, and

they will have an opportunity of getting the other cent,

if they work every day, and they won't, I am

perfectly satisfied. You can put it as a new rate for

the bonus, that is really what it was.

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perfectly satisfied. You can put it as a new rate for

the bonus, that is really what it was.



BY MR. McRUER: Q. You mentioned that the American wages were higher than they were here?

A. Yes, America is blessed with about a 40-cent import duty.

5

SECRETARY WHITELEY: Why do you sell for the same price; why are your prices the same in Canada as in the States?

10

THE WITNESS: We pay more for chemicals. The amount of work per man hour is much higher in the States than it is here.

BY MR. McRUER: Q. You get more out of the men?

A. Oh yes, much more, and we do in England.

Q. What are your rates in the States?

15

A. What do you mean?

Q. The rates? A. Do you mean the rate per hour?

Q. Yes? A. I could not tell you that.

Q. Probably that can be got.

20

MR. DIXON: We can get that for you, Mr. McRuer.

BY MR. McRUER: Q. Why do you say you get more per man-hour in the United States? Have you made tests, any tests, and have you any report?

25

A. We are making tests, we have got the most elaborate tests made, and our Kenyon has got them at Cornwall. You will get me in trouble, you will. If it had not been for you I should have brought this pile of tripe with me.

30

Q. Do these records apply to England as well?

A. Yes.

BY MR. MURPHY: Q. You mentioned that the American

wages were higher than they were here?

A. Yes, America is pleased with about a 40-cent

per hour.

SECRETARY: Q. Why do you sell for the same

price; why are your prices the same in Canada as in

the States?

THE WITNESS: A. I don't know.

amount of work per man hour is much higher in the

States than it is here.

BY MR. MURPHY: Q. You get more out of the men?

A. Oh yes, much more, and we do in England.

Q. What are your rates in the States?

A. What do you mean?

Q. The rates? A. Do you mean the rate per hour?

Q. Yes? A. I could not tell you that.

Q. Probably that can be got.

MR. DIXON: We can get that for you, Mr. witness.

BY MR. MURPHY: Q. Why do you say you get more

per man-hour in the United States? Have you made

tests, any tests, and have you any reports?

A. We are making tests, we have got the most

elaborate tests made, and our keymen have got them

at Cornwall. You will get me in trouble, you will.

If it had not been for you I should have brought this

pile of tripe with me.

Q. Do these records apply to England as well?



Q. So Mr. Kenyon can give us those? A. Yes.

Q. Of course, you are satisfied for Mr. Kenyon to give evidence on behalf of the Company in respect to this? A. Yes, I cannot say he can't and he is competent to.

Q. Well, I think that is all? A. He has had more experience with these union men than I have in the last two or three years. I have been more or less out of the picture.

Q. You came over specially? A. To here?

Q. To Canada? A. No, no.

Q. On account of the strike? A. No; what I did, I came perhaps a couple of weeks earlier than I should have.

Q. You intended to make a trip? A. I come three times every year, and one of my trips is in August, but I should have remained there a couple of weeks. My coming as I did has prevented me seeing one of the viscose company directors who was expecting to see me in England, and he is sailing back from England to-day on the Aquatania.

Q. Did I understand you to say to Mr. Whiteley that you sold yarn at the same prices in the United States as you do here? A. No - what do we sell it at in the United States? The prices, if you look at the Daily News Record you have here, it goes up and down. We have the same thing here, but not to the same extent.

Q. So Mr. Ferguson can give us those? A. Yes.

Q. Now, did he collect for the company?

Q. Give evidence on behalf of the company in regard to this?

A. Yes, I cannot say he sent it.

Q. He is competent to.

A. Well, I think that is all? A. He has

had more experience with these union men than I have

in the last two or three years. I have been more

in the line out of the picture.

Q. You came over especially? A. To hear?

A. No, no, no.

Q. On account of the strike? A. No; what

did, I came perhaps a couple of weeks earlier than

I should have.

Q. You intended to make a trip? A. I come

three times every year, and one of my trips is in

August, but I should have remained there a couple of

weeks. By coming as I did has prevented me seeing

one of the vice-presidents who was expected

to see me in England, and he is sailing back from

England to-day on the "Australia".

Q. Did I understand you to say to Mr. Whitley

that you would look at the same places in the United

States as you do here? A. No - what do we call

it? It is called "the picture", it is

look at the picture, how would you have here, it is

and down. To have the same thing here, but not



SECRETARY WHITELEY: You do not have daily fluctuations.

THE WITNESS: No, no, no.

5 SECRETARY WHITELEY: Your prices in the United States now are slightly higher than they are in Canada?

THE WITNESS: Yes.

10 MR. JONES: 150 denier is 60 cents in the States and it is 57 in Canada.

SECRETARY WHITELEY: That is due to the recent rise in American prices?

THE WITNESS: Yes.

15 SECRETARY WHITELEY: Prior to that your prices in the United States were slightly lower than Canada?

MR. JONES: Yes.

SECRETARY WHITELEY: You are back now to about a par, very close to a par.

20 MR. JONES: There is about two or three difference between the lot?

SECRETARY WHITELEY: You were in the same position in 1930?

MR. JONES: I could not say off-hand.

25 MR. McRUER: Q. Of course, in England you have not taken as aggressive a stand in regard to the union as you have here? A. No, because you are begging something now. I have never had to deal with a union here before, never heard of such a thing, and I am not going to be led by a lot

30

SECRETARY: You do not have daily fluctuations.

SECRETARY: Your prices in the United States now are slightly higher than they are in Canada.

MR. JONES: 100 cents is 10 cents in the States and is 37 in Canada.

SECRETARY: That is due to the recent rise in American prices.

SECRETARY: Prior to that your prices in the United States were slightly lower than Canada.

MR. JONES: Yes.

SECRETARY: You are back now to about a cent, very close to a cent.

MR. JONES: There is about two or three differences between the lots.

SECRETARY: You were in the same position

MR. JONES: I could not say off-hand.

MR. JONES: Of course, in England you have not taken as aggressive a stand in regard to the Union as you have here. I do, because you are doing something now. I have never had to deal with a Union here before, never heard of such a

thing, and I am not going to be led by a lot



of such folk as if I might just have a rope  
around my neck and be led like a lamb to the  
slaughter. I don't know, as I say, what might  
happen later on when they are in a more reasonable  
frame of mind.

Q. There is another question I want to ask you;  
that is, how do you find your investment in Canada  
as compared with the United States?

A. Investments?

Q. Yes, your investment in the rayon business in  
Canada as compared with the United States; has it  
been as profitable or more profitable or less  
profitable? A. Why, there is no comparison; why,  
in the States we were making yarn and there was a  
time when we were selling it at about \$4.00 a pound.

Q. Yes, but I mean at the present time, you  
were not making yarn at all in Canada at those times?

A. Well, that is rather difficult. I could tell  
you that - if I had the accounts I could tell you.

Q. I was just wondering how the investment  
measured up in Canada as respecting England and the  
United States; have you found the Canadian enterprise  
as profitable as it was in England or more profitable,  
or how is this child growing up, if it is going to  
be a good child or a bad one? A. The child is  
growing up alright, and I am satisfied with its  
behaviour.

around my neck and he fed like a lamb to the  
of such folk as if I might just have a rope

slightly. I don't know, would I say, what is that?

frame of mind.

4. Investment

Canada as compared with the United States ; and is

profitable? A. Why, there is no comparison; why, been as profitable or more profitable or less

time when we were selling it at about \$4.00 a pound in the States we were making yarn and there was a

A. Well, that is rather difficult. I would tell you that - if I had the accounts I could tell you.



Q. Do you think it is better than its brothers?

A. I am a rotten witness, I know.

MR. DIXON: You have not got the information to give a correct answer to that, as to the return on the two investments.

THE WITNESS: No.

BY MR. McRUER: Q. Well, Mr. Johnson-- A. You see, when you have got places as we have got our investments in the States - of course, I was going to say it is colossal. We have got one investment there down at Nitro, West Virginia where we make our own pulp. It is a community that was created when the United States entered the War. It was made for making gun cotton. We have used it since for making cotton pulp. Then, of course, in the States we are making acetate. I suppose we must have invested there-- I don't know-- I should think \$13,000,000 or \$14,000,000 already in acetate in the States.

Q. Where do you get your pulp in England for your English supply? A. Well, we get some from Canada, a good deal, and some from Norway and latterly I believe my son has been bought some from Sweden, but we get a lot from Canada.

Q. What proportion of it will come from Canada, have you any idea? A. I should say 60% to 65%.

Q. From Canada? A. Yes.

Q. Do you import it as pulp? A. We get it at a lower price in England than we do here.

10

Q. Do you think it is better than its brother?

A. I am a rotten witness, I know.

MR. BIKEN: You have not got the information to

give a correct answer to that, as to the return on

two investments.

BY MR. MURPHY: Q. Well, Mr. Johnson-- A. You

see, when you have got places as we have got our

investments in the States - of course, I was going

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down at Nitro, West Virginia where we make our own

guip. It is a community that was created when the

United States entered the war. It was made for making

gun cotton. We have used it since for making cotton

guip. Then, of course, in the States we are making

acetate. I suppose we must have invested there--

I don't know-- I should think \$13,000,000 or

\$14,000,000 already in acetate in the States.

Q. Where do you get your guip in England for your

English supply? A. Well, we get some from

Canada, a good deal, and some from Norway and Italy.

I believe my son has just bought some from Sweden.

but we get a lot from Canada.

Q. What proportion of it will come from Canada?

A. I should say 60% to 85%.

Q. Do you import it as guip?

A. Yes, I do.



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pulp and take them to the mills here?

Q. That is very interesting, too; do you import it as pulp?  
A. No, we import it as pulp sheets.

Q. In what shape does it come? A. Sheets, paper, just like a sheet of blotting paper.

Q. It has been processed to that extent here?

A. Yes, it is really sulphite pulp.

Q. Of course, the carriage charge on that would not be very heavy?

MR. DIXON: Excuse me, they send a whole ship over.

THE WITNESS: It would run you \$7.00 a ton.

BY MR. McRUER: Q. Shipped from? A. From

Montreal or New Brunswick; it all depends on what bargain you make.

Q. Is the pulp you get from Norway and Sweden any cheaper than what you get from here or is it better or why are you buying from Norway and Sweden, or is it just a matter of spreading things around?

A. Is the object of your question to ask why we don't buy more in Canada?

Q. No, just more or less curiosity? A. It does not do to have all your eggs in one basket unless you sit on it.

Q. You say you pay more in England than you do here?

A. I don't. I say we pay less in England than we pay here. He got a little love letter come the other day advancing the price from \$65 to \$70 with one of our Canadian suppliers. I told him, 'you get the

Q. That is very interesting, too; do you import it  
as pulp? A. No, we import it as pulp sheets.  
Q. In what shape does it come? A. Sheets,  
paper, just like a sheet of blotting paper.  
Q. It has been processed to that extent here?  
A. Yes, it is really sulphite pulp.  
Q. Of course, the carriage charge on that would  
not be very heavy?  
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THE WITNESS: It would run you \$7.00 a ton.  
BY MR. McRURER: A. Shipped from? A. From  
Montreal or New Brunswick; it all depends on what  
pulp you want.  
Q. Is the pulp you get from Norway and Sweden any  
cheaper than what you get from here or is it better  
or why are you buying from Norway and Sweden, or is  
just a matter of spreading things around?  
A. Is the object of your question to ask why we don't  
buy more in Canada?  
Q. No, just more or less curiously? A. It does  
not do to have all your eggs in one basket unless you  
sit on it.  
Q. You say you pay more in England than you do here?  
A. I don't. I say we pay less in England than we do  
here. In fact, I think you rather than the other  
day advancing the price from \$65 to \$70 with one of  
our Canadian suppliers. I told him, 'you get the

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pulp and talk about the price after.'

Q. One other question and I think I am through;  
the new arrangements you made with the employees at  
Cornwall will not involve any increase in your price  
of yarn? A. No, No, no.

MR. JONES: That is coming out of the profit,  
Mr. McRuer.

MR. McRUER: All right, Mr. Johnson, thank you  
very much for coming.

-- The meeting adjourned at 12.30 P.M. Wednesday,  
September 9, 1936."

MR. McRUER: I suppose we might have a copy of this  
filed as an exhibit?

THE COMMISSIONER: Yes.

EXHIBIT 729: Copy of evidence of Mr. Johnson  
of Courtaulds Limited, taken  
on September 9th, 1936.

MR. McRUER: Have you a copy of the proposed agreement  
and copy of agreement?

MR. DIXON: Yes.

THE COMMISSIONER: Entered into with the employees?

MR. McRUER: Yes, my Lord. Mr. Dixon has furnished  
me with a copy of stenographer's report of negotiations  
that took place between the workers and the employers  
commencing on August 26, 1936 and continuing through  
until about September 9, 1936. I propose to file  
this. I do not propose to read it.

THE COMMISSIONER: It is the Report of the  
negotiations?

put and talk about the price after.

Q. One other question and I think I am through;

the new arrangements you made with the employees at

Gornwall will not involve any increase in your pri-

of yarn? A. No, no, no.

MR. JONES: That is coming out of the profit,

MR. MORRIS.

MR. MORRIS: All right, Mr. Johnson, thank you

very much for coming.

-- The meeting adjourned at 12.30 P.M. Wednesday,  
September 9, 1936.

MR. MORRIS: I suppose we might have a copy of this

filed as an Exhibit?

THE COMMISSIONER: Yes.

EXHIBIT 789: Copy of evidence of Mr. Johnson  
of Gornwall Limited, taken  
on September 9th, 1936.

MR. MORRIS: Have you a copy of the proposed agreement?

THE COMMISSIONER: Yes.

MR. MORRIS: Yes.

THE COMMISSIONER: Entered into with the employees?

MR. MORRIS: Yes, my Lord. Mr. Dixon has furnished

me with a copy of stenographer's report of negotiation

that took place between the workers and the employers

beginning on August 25, 1936 and continuing through

until about the second of 1936. I propose to file

this. I do not propose to read it.

THE COMMISSIONER: It is the report of the



MR. McRUER: Stenographer's Report of the negotiations, being noted that the Commission and the

THE COMMISSIONER: All right, it will be Exhibit 730.

EXHIBIT-730: Stenographer's Report of negotiations between workers and employers, August 26 to Sept. 9, 1936.

MR. McRUER: The proposed Agreement is copied at page 27 in Exhibit 730. A second proposed agreement is at page 31. I wish to read these agreements.

THE COMMISSIONER: Is this the one that was adopted?

MR. McRUER: No, these two proposed agreements that Mr. Johnson referred to in his evidence as being in some measure ridiculous at any rate, and then I will read the one that was officially adopted as a result of negotiations:

"AGREEMENT between Courtaulds (Canada) Limited, of Cornwall, Ontario hereinafter for convenience called the Company, party of the first part, and Local No. 2499, United Textile Workers of America, party of the second part, hereinafter called the Union, this word Union where used having reference to Local No. 2499 only.

WITNESSETH, that in the operation of the Company's manufacturing plant both parties hereunto mutually agree as follows:

SECTION 1: The Company agrees to recognize the Union and that it shall cover all employees

MR. MORRIS: Stenographer's Report of the

negotiations.

THE COMMISSIONER: All right, it will be Exhibit

730.

Stenographer's Report of  
negotiations between workers and  
employers, August 25 to Sept. 9,  
1933.

MR. MORRIS: The proposed agreement is copied at

page 27 in Exhibit 730. A second proposed agreement

is at page 31. I wish to read these agreements.

THE COMMISSIONER: Is this the one that was adopted?

MR. MORRIS: No, these two proposed agreements

that Mr. Johnson referred to in his evidence as being

in some measure ridiculous of any race, and then I

will read the one that was officially adopted as a

result of negotiations:

Agreement between (Name) Limited,

of Cornwall, Ontario hereinafter for convenience

called the Company, party of the first part, and

Local No. 2435, United Textile Workers of America

party of the second part, hereinafter called the

to Local No. 2435 only.

WITNESSETH, that in the opinion of the

Company's representatives and both parties hereto

mutually agree as follows:

Union and that it shall cover all employees



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eligible to membership in the same, and the members coming under its provisions may become and remain members in the Union during the life of this Agreement, and no employee shall be discriminated against because of his or her membership in the Union."

THE COMMISSIONER: I take it then that this proposed agreement was submitted by the employees?

MR. McRUER: Yes, that is what the negotiations show.

--

-- Adjourned at 5 P.M. to resume tomorrow at 10 o'clock A.M., Wednesday, October 21st, 1936.

--- 21, 1936

eligible to membership in the same, and the  
members coming under its provisions may become and  
remain members in the Union during the life  
of this Agreement, and no employee shall be  
discriminated against because of his or her  
membership in the Union."

THE COMMISSIONER: I take it then that this  
proposed agreement was submitted by the employer?  
MR. MORTON: Yes, that is what negotiations  
show.

— Agreement as to the proposed limitation of the  
o'clock A.M. "agreement," October 1st, 1933.



ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary,

SEVENTY - SECOND DAY

(October 21, 1936)

RECEIVED

HON. MR. J. H. A. TUBER

Commissioner

RECEIVED

RECEIVED

(October 11, 1938)

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

---

A.S. Whiteley, Secretary.

---

A p p e a r a n c e s :

J.C. McRuer, K.C. and )  
E. Beauregard, K.C. ) Commission Counsel,

J.P. Lanctot, K.C. ) , For Special Committee  
and on Primary Textile  
R.L. Kellock, K.C. ) Industries.

C.G. Heward, K.C. )  
Aime Geoffrion, K.C. ) For Dominion Textile  
and Company.  
G.T. Ballantyne, )

S.G. Dixon, K.C. For Courtaulds, Limited.

L.A. Forsyth, K.C. For Canadian Celanese Ltd.  
and Canadian Silk Products  
Limited.

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REVENUE DEPARTMENT

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REVENUE DEPARTMENT	J.C. Schner, K.C. and
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For Special Committee on Primary Textile Industries.	J.F. Macdonald, K.C.
REVENUE DEPARTMENT	N.I. Kellock, K.C.
For Dominion Textile Company.	G.G. Hewson, K.C.
REVENUE DEPARTMENT	Alme Geoffrion, K.C.
REVENUE DEPARTMENT	and
REVENUE DEPARTMENT	J.V. Williams
For Canadian Celanese Ltd.	J.C. Rixon, K.C.
and Canadian Milk Producers' Association.	L.A. Forsyth, K.C.

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Cornwall, Ontario,  
Wednesday,  
October 21st, 1936

-- The Commission resumed at 10 A.M.

5 THE COMMISSIONER: All right, Mr. McRuer.

MR. McRUER: My lord, I want to correct an error  
that I made last night in reference to Exhibit 730.  
I stated, that the first proposed agreement from the  
10 workers was on page 27. Mr. Dixon has just pointed  
out to me that that is the second one; the first  
one appears on page 31. They are reversed in this  
volume.

15 THE COMMISSIONER: Were both these proposals made  
by the workers?

MR. McRUER: They emanated from the workmen.  
The agreement reads:

20 "THIS AGREEMENT entered into on this day of 1936  
A.D., and shall expire one year from this date.

Between:

COURTAULDS (CANADA) LIMITED  
hereinafter known as the  
Party of the first part,  
and to be called

25 THE COMPANY,

and

RAYON WORKERS INDUSTRIAL UNION,  
hereinafter known as the Party  
of the second Part and to be  
called

30 THE UNION."

Your Lordship will notice that the Union has a  
different name here.

Cornwall, Ontario,  
October 21st, 1933

-- The Commission resumed at 10 A.M.

THE WORKERS: All right, Mr. Chairman.

MR. McHUGH: My lord, I want to correct an error that I made last night in reference to Exhibit 750.

I stated, that the first proposed agreement from the workers was on page 27.

out to me that that is the second one; the first one appears on page 31. They are reversed in this

THE COMMISSIONER: Now you have proposed --

by the workers?

MR. McHUGH: They emanated from the workers.

The agreement reads:

A.D., and shall expire one year from this date.

COURTNEY (COUNCIL) LIMITED  
hereinafter known as the  
party of the first part,  
and to be called

hereinafter known as the party  
of the second part, do hereby

Your Lordship will notice that the Union has a

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THE COMMISSIONER: What is it called here?

MR. McRUER: It is called Rayon Workers' Industrial Union.

THE COMMISSIONER: And is there such a union?

5 MR. McRUER: I do not know, my lord. We will have here one or two of the men who were engaged in the negotiations. The Agreement continues:

10 "1. That both parties to this Agreement shall recognize it as the bond of contact between them, and observe its fulfilment in every detail.

2. That the Company officially recognizes the Union as the only means of representation between the employees and the management.

15 3. That the Company recognizes the right of the Union to elect, in every Department and on every shift, a Departmental Committee, the Chairman of such Committee to present all grievances regarding wages, hours and any other matter to the foreman in any and all Departments.

20 4. That the Union undertakes to instruct all Departmental Committees and Chairmen of such Committees in their duties in their capacity as set forth in Clause 3; and that all grievances shall be given the serious attention of any Departmental Committee prior to presentation to any foreman.

25 5. That, in any case of failure of any foreman to settle any legitimate grievance, the executive

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THE COMMISSIONER: What is it called here?

MR. BRYDIE: It is called Nelson Workers' Industrial

THE COMMISSIONER: And is there such a union?

MR. BRYDIE: I do not know, my lord. We will have

here one or two of the men who were engaged in the

... ..

That both parties to this agreement shall

recognize it as the bond of contact between them,

and observe its fulfillment in every detail.

That the Company officially recognizes the

Union as the only means of representation between

the employees and the management.

3. That the Company recognizes the right of the

Union to elect, in every department and on every

shift, a Departmental Committee, the Chairman

of such Committee to present all grievances

regarding wages, hours and any other matter to the

foreman in any and all departments.

4. That the Union undertakes to interest all

Departmental Committees and Chairmen of such

Committees in their duties in their capacity

as set forth in Clause 3; and that all grievances

shall be given the serious attention of any Departmental

Committee prior to presentation to any

foreman.

5. That, in any case of failure of any foreman to

settle any grievance referred to the Departmental



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Committee of the Union is empowered to bring any such grievance before the management of the Company.

6. That the Company will employ only such workers as whom are in possession of a Union Card and are in good standing with the Local Union.

7. That the Union undertakes to supply the Company with competent labour upon the request of the Company for such.

8. That the wages of all employees in the Spinning Department be increased by the Company by five cents (5¢) per hour, effective as from date of this agreement.

9. That the Company undertakes to maintain 63 workers in No. 1 Shift, 45 workers in No. 2 shift, and 52 workers in No. 3 Shift in the Spinning Department at all times.

10. That the Company fully compensates all employees in the Spinning Department affected with sore eyes for the full period of their incapacity.

11. That the wages of all employees in the Bleach Department be increased by the Company by ten cents (10¢) per hour, effective as from date of this Agreement; and that all employees in this Department be paid by the Company for the lunch period.

12. That the wages of the Cake Boys be increased to thirty cents, (30¢) per hour by the Company, effective as from date of this Agreement.

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Localities of the Union is empowered to bring any  
and otherwise in accordance with the provisions of the Company  
6. That the Company will supply with water  
as from are in possession of a Union Card and are  
in good standing with the Local Union.

7. That the Union undertakes to supply the  
Company with competent labour for the purpose  
of the Company for each.

8. That the wages of all employees in the  
Department be increased by the Company by five  
cents (5¢) per hour, effective as from date of  
this agreement.

9. That the Company undertakes to maintain 33  
workers in No. 1 shift, 43 workers in No. 2 shift,  
and 33 workers in No. 3 shift in the spinning depart-  
ment at all times.

10. That the Company fully compensates all  
employees in the spinning department affected with  
this agreement for any loss of their productivity.

11. That the wages of all employees in the  
Mills department be increased by the Company  
by ten cents (10¢) per hour, effective as from  
date of this agreement; and that all employees in  
this Department be paid by the Company for the lunch  
period.

12. That the wages of the Care Boys be increased  
to thirty cents (30¢) per hour by the Company.



13. That the wages of the Day Gang be increased by the Company by five cents (5¢) per hour, effective as from date of this Agreement.

5 14. That the wages of all employees, with the exception of the members of the permanent staff and those employees covered by Clauses 8, 11, 12 and 13, be increased by the Company by 10%, effective as from date of this Agreement.

10 15. That the Company shall pay all employees who may work from the hour of 12 noon on any Saturday to the hour of 7 a.m. on any Monday, or between these hours on any week-end, at the rate of Time and Half.

15 16. That the Company shall restore the bonus for the female employees to the original amount of Five Dollars (\$5) per month.

20 17. That the Company grant the reeling Room employees 2 Boards for 8 O'clock and 2 Boards less per hour, without any alteration in wages except as set forth in Clause 14."

THE COMMISSIONER: What does that mean; I do not understand that.

25 MR. McBUER: It is reducing the stretch-out, is it not? I judge from reading the interviews with the employees, that that determines the rate of piece work to be paid, is that not correct?

30 MR. DIXON: That is not quite accurate; it is not piece work, my lord. We set a standard of a certain

13. That the wages of the Day Gang be increased by the Company by five cents (5¢) per hour, effective

as from date of this agreement.

14. That the wages of all employees, with the exception of the members of the permanent staff and those employees covered by clauses 8, 11, 12

and 13, be increased by the Company by 10¢, effective as from date of this agreement.

15. That the Company shall pay all employees

who may work from the hour of 12 noon on any

Saturday to the hour of 7 a.m. on any Monday,

between these hours on any week-end, at the rate

of Time and Half.

16. That the Company shall restore the bonus for

female employees to the original amount of five

Dollars (\$5) per month.

17. That the Company grant the resting Room

employees 2 Boards for 8 O'clock and 2 Boards for

per hour, without any alteration in wages except

as set forth in Clause 14.

THE COMPANY: That goes that mean; I do not

understand that.

Q. Now, it is not doing the same thing, is it not?

A. I judge from reading the interview with the employees,

that they are not at all of these kind to be paid,

is that not correct?

MR. DUFFY: That is in the interview, is it not?

Q. Now, if I am not mistaken, you are saying that

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number of boards to be done by each employee during each hour, or during each day .

THE COMMISSIONER: What is a board?

5 MR. DIXON: A board, my lord, is simply a piece of board about as long as my arm, on which the skeins are hung; and a board contains, according to the weight of yarn, a different number of skeins, - 5 or 6 or 7 skeins are hung on a board, depending on the weight of the yarn.

10 MR. McRUER: For the rate of pay per hour that is paid they are required to do a certain number of boards?

MR. DIXON: Yes.

15 MR. McRUER: And the proposal here was that the number of boards should be resumed.

MR. DIXON: Yes.

THE COMMISSIONER: That is, it takes so many boards to constitute an hour.

20 MR. DIXON: Yes, my lord. To live up to the standard, they have to do a certain number of boards per hour.

MR. McRUER: Would that be the bonus system?

MR. DIXON: No.

MR. McRUER: Continuing, my lord;

25 "18. That the Company arrange conditions in the Departments comprising the Processing in such a manner that no work be done after 6 p.m. on any Saturday.

30 19. That the employees of the Processing be granted the same wages rate as the other departments consisting of female employees prior

1911

number of boards as the limit of their capacity would  
be reached, on that basis.

THE COMMISSIONER: What is a board?

MR. DIXON: A board, or panel, is simply a group of  
men who are to look after the work, and who are  
the judges and a small committee, according to the  
weight of their different number of votes, -  
I am not sure the word is a board, depending on  
the weight of the vote.

MR. McHUGH: For the rate of pay per hour that is

paid for the work is in a certain number of hours.

MR. DIXON: Yes.

MR. McHUGH: And the proposal here was that the

number of boards should be reduced.

MR. DIXON: Yes.

THE COMMISSIONER: That is, it takes so many boards

to constitute an hour.

MR. DIXON: Yes, my lord. To live up to the standard

they have to do a certain number of boards per hour.

MR. McHUGH: Would that be the bonus system?

MR. DIXON: No.

MR. McHUGH: I am not sure of that.

18. That the Company arrange conditions in the

departments comprising the processing in such a

manner that the work is done at a fair rate.

19. That the employees of the processing be



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to date of this Agreement, and before coming under Clause 14.

20. That the Company will take the necessary steps in the Soda Room of the Viscose Department to maintain fifteen (15) men working and a Charge Hand per shift.

21. That the employees of the Viscose Department who were reduced from 47½¢ per hour to 45¢ per hour be restored to their former rate prior to coming under Clause 14.

22. That the Company undertake to maintain twelve (12) men working and a Charge Head in the Churn House at all times.

23. That the Company will not discharge any employee without just and sufficient cause, and that any worker so affected shall have the right of appeal to the Executive Committee of the Union.

24. That the Company instruct all foremen, irrespective of the departments over which they may have authority, to adopt a more humane attitude towards the employees in any and all Departments.

25. That the Company respect and consider the seniority rights of the employees when making promotions.

26. That the Company, in the interest of the health of the employees, extend and increase the ventilation and sanitary systems in the Mill.

27. That, in the Case of any dispute or disputes

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20. That the Company will take the necessary steps in the good Room of the Viscose Department to maintain fifteen (15) men working and a Charge Hand per shift.

21. That the employees of the Viscose Department who were reduced from 45 per hour to 40 per hour be restored to their former rate prior to coming under Clause 14.

22. That the Company undertake to maintain twelve (12) men working and a Charge Hand in the good Room of the Viscose Department.

23. That the Company will not discharge any employee without just and sufficient cause, and that any worker so arrested shall have the right of appeal to the Executive Committee of the Union.

24. That the Company instruct all foremen, inspectors and other employees over which they have authority, to adopt a more humane attitude towards the employees in any and all Departments.

25. That the Company respect and consider the seniority rights of the employees when making

26. That the Company, in the interest of the health of the employees, extend and increase the ventilation and sanitary systems in the mill.



regarding any infringement of this Agreement by the employees or the management of the Company, a joint Commission be appointed, on an equal basis, to investigate any such dispute or disputes.

Said Commission to be appointed by the respective Parties to this Agreement within three (3)

days of written notice of complaint, and a special meeting summoned to investigate. That each

party will select its own representatives to this Commission, and that this right shall not be interfered with or discouraged in any manner whatsoever."

Now, the second proposed Agreement is on page 27, my lord, and it reads as follows:

AGREEMENT between Courtaulds (Canada) Limited, of Cornwall, Ontario hereinafter for convenience called the Company, party of the first part, and Local No. 2499, United Textile Workers of America, party of the second part, hereinafter called the Union, this work Union where used having reference to Local No. 2499 only."

THE COMMISSIONER: I see it is a different union this time.

MR. McRUER: Yes, my lord. We will have a witness or two here who will probably tell us why the change, and what has developed. The Agreement continues:

"WITNESSETH, that in the operation of the Company's manufacturing plant both parties hereunto mutually

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employees or the management of the Company, a  
Joint Commission be appointed, on an equal basis,  
to investigate any such dispute or disputes.

Said Commission to be appointed by the respective

Parties to this Agreement within three (3)

days of written notice of complaint, and a special

meeting summoned to investigate. That each

party will select its own representatives to this

Commission, and that this right shall not be

interfered with or discouraged in any manner

whatsoever.

Now, the second proposed Agreement is on page 27.

my lord, and it reads as follows:

(Agreement between the United Textile Workers of America, Inc., and the Company, party of the first part, and

Cornwall, Ontario hereinafter for convenience called

the Company, party of the first part, and

Local No. 2496, United Textile Workers of America,

party of the second part, hereinafter called the

Union, this work which was used having reference

to Local No. 2496 only.)

THE COMMISSION: I see it is a different union this

time.

MR. COUNSEL: Yes, my lord. We will have a witness

or two here who will probably tell us why the change,

and that has developed. The Agreement continues:

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5      SECTION 1: The Company agrees to recognize the Union and that it shall cover all employees eligible to membership in the same, and the members coming under its provisions may become and remain members in the Union during the life of this Agreement, and no employee shall be discriminated against because of his or her membership in the Union.

10      SECTION 2: The Company agrees to meet and treat with the properly accredited officers, representative and committees of the Union upon all questions that may arise between them during the term of this Agreement.

15      SECTION 3: Employees who are members of any committee of the Union, who are officers of the Union or elected as delegates to conventions of the Union, shall be entitled to a leave of absence for the purpose of carrying on their work or attending convention, or other such work as may be necessary for them to do in line with their duties, and, on their return from absence on account of such work shall have their place on the list according to their seniority in the service of the Company.

20      SECTION 4: Any employee suspended or discharged for any cause shall have the right to appeal through the officers and committees of the Union to the officers of the Company, and, after investigation if found not guilty, they shall be reinstated and

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Section 1: The Company agrees to recognize the Union and that it shall cover all employees eligible to membership in the same, and the members coming under its provisions may become and remain members in the Union during the life of this agreement, and no employee shall be discriminated against because of his or her membership in the Union.

Section 2: The Company agrees to meet and treat with the properly accredited officers, representatives and committees of the Union upon all questions that may arise between them during the term of this agreement.

Section 3: Employees who are members of any committee of the Union, who are officers of the Union or elected as delegates to conventions of the Union, shall be entitled to a leave of absence for the purpose of carrying on their work or necessary for them to do in line with their duties, and, on their return from absence on account of work shall have their place on the list according to their seniority in the service of the Company.

Section 4: Any employee suspended or discharged for any cause shall have the right to appeal through the officers and committees of the Union to the officers of the Company, and, after investigation it found not guilty...



paid for all time lost because of such suspension or discharge.

5      SECTION 5: All promotions and transfers in all departments shall be based upon seniority and efficiency and without discrimination. Seniority and efficiency shall prevail at all times, and should it become necessary to increase or reduce the number of employees in any department they shall be increased or decreased according to their efficiency and seniority in the service of the Company.

15      SECTION 6: A spare man shall be retained by the Company in both the Bleach and the Viscose Departments to replace absent employees and to ensure a more equitable distribution of labour. This distribution of labour to be arranged according to the appended Table (Table 1), with regard to the Viscose and the Reeling Departments. All key men in the Spinning Department to be kept on their own jobs, and no man in this Department shall be required to doff more machines than as set forth in the appended Table (Table 1).

25      SECTION 7: Any employee temporarily performing work of another grade where the rate of pay is higher shall receive pay of that grade for the period so employed, when employed for a minimum period of one shift.

30      SECTION 8: Any employee affected with sore eyes

paid for all time lost because of such suspension or discharge.

SECTION 5: All promotions and transfers in all departments shall be based upon seniority.

and efficiency shall prevail at all times, and should it become necessary to increase or reduce the number of employees in any department they shall be increased or decreased according to their efficiency and seniority in the service of the Company.

SECTION 6: A spare man shall be retained by the Company in both the Hiesch and the Viscose Departments to replace absent employees and to ensure a more equitable distribution of labour. This distribution of labour to be arranged according to the appended table (Table I), with regard to the Viscose and the Hiesch Departments. All key men in the spinning department to be kept on their own jobs, and no man in this department shall be required to doff more than one machine when he is not to be in the spinning department (Table I).

SECTION 7: No employee shall receive pay for a period of another grade when the rate of pay is higher than that of the grade for which he is employed, when employed for a minimum period of one month.



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shall be compensated by the Company for the full period of incapacity. Any employee affected

with Acid Rash shall be provided for the Company.

The Company shall provide wash basins wherever required, and improved ventilation wherever necessary.

SECTION 9: The following rates of wages shall be paid from and after ..... and during the life of this Agreement:"

Then there is a table appended. I won't go into the details of it.

"SECTION 10: This agreement and the provisions herein shall remain in full force and effect for a period of one year dating from this date and from year to year unless either party to this Agreement desires any change or changes. The party desiring such change or changes shall notify the other party thirty (30) days prior to the date of proposed change."

Your lordship will notice, that this agreement is quite a modification of the first one, in some respects, such as the clauses left out that requires the Company to employ only members of the Union, and other clauses of that sort.

Then we come to the Agreement that was eventually entered into, which is on Page 101.

THE COMMISSIONER: Did that Agreement put an end to the trouble?

shall be compensated by the Company for the full  
period of incapacity. Any employee affected  
with said shall be provided for the Company.  
The Company shall provide such during whenever

SECTION 9: The following rates of wages shall be  
paid from and after ..... under during the  
life of this agreement:

Then there is a table appended. I won't go into  
the details of it.

SECTION 10: This agreement and the provisions  
herein shall remain in full force and effect for a  
period of one year dating from this date and from  
year to year unless either party to this  
Agreement desires any change or changes. The  
party desiring such change or changes shall notify  
the other party thirty (30) days prior to the date  
of proposed change.

Your foreman will notice, that this agreement is  
quite a modification of the first one, in some respects  
such as the clauses left out that requires the  
company to provide for the employee in case of  
change of that sort.

Then we come to the agreement that was previously  
entered into, which is on page 101.  
THE COMPANY HEREBY: did that agreement was made and



MR. McRUER: Yes, my lord, the workers resumed.

THE COMMISSIONER: Does any question arise about it to-day?

MR. Mcruer: Not that I have heard, my lord.

MR. DIXON: Not that we know of, my lord.

THE COMMISSIONER: Well, we had better hear what it is.

MR. McRUER: It is on page 101:

"It is agreed this day between Courtaulds (Canada) Limited and Representatives of the Workers' Committee that in consideration of resumption of work commencing Saturday, 5th September, the following points shall be conceded.

1. The Company will not recognize any Union.

2. Wages:

(a) That the half-hour lunch period in the Bleach Dept. shall be paid.

(B) That the rates formerly paid to oilers employed in the Spinning Dept. shall be leveled at 45¢ per hour.

(c) That the rates of wages paid in the Processing Dept. shall in future be paid at the same level as those which will obtain in the Reeling and Sorting Depts.

(d) That all adult male workers, including Engineers, shall be paid at an increased rate of 2 c/ per hour, except the three men employed on the Switch Boards who shall be paid at the increased rate of 5¢ per hour, as from the date of resumption of work.

THE COMMISSIONER: Does any question arise about it to-day?

MR. WILSON: Not that I have heard, my lord.  
MR. DIXON: Not that we know of, my lord.  
THE COMMISSIONER: Well, we had better hear what it is on page 101:

"It is agreed this day between Comptrols (Canada) Limited and representatives of the workers, commencing Saturday, 5th September, the following points shall be considered.

1. The company will not recognize any Union.

(2) That the half-hour lunch period in the Messing Dept. shall be paid.

(3) That the rates formerly paid to office employees in the spinning Dept. shall be leveled at 40¢ per hour.

(4) That the rates of wages paid in the processing Dept. shall be leveled at the same level as those which will obtain in the spinning Dept.

(5) That all shift rates shall be increased at the rate of 5¢ per hour, except the three men employed on the switch boards who shall be paid at the increased rate of 5¢ per hour, as from the date of resumption of work.



(e) That all female employees, and juvenile male employees up to the age of 18 years, shall be paid at an increased rate of 1¢ per hour as from the date of resumption of work.

(f) That the week's pay kept in hand shall accumulate at the rate of one day's pay per week from the date of resumption of work."

THE COMMISSIONER: Will you please read that paragraph again, Mr. McRuer?

MR. McRuer: Yes, my lord:

"(f) That the week's pay kept in hand shall accumulate at the rate of one day's pay per week from the date of resumption of work."

THE COMMISSIONER: What does that mean?

MR. DIXON: Up to the time of the strike we were paying a week in arrears, that is, a man would be paid on a Friday for work which he had completed the preceding Friday. At the time of the strike - a few days after it started - we paid out everything that we owed to the employees, and this is to accumulate, without hardship to the employees, a week's pay, - to put them once again at the end of seven weeks a week in arrears.

MR. McRuer: What is the purpose of that? When a man has worked, why is he not entitled to be paid when it is due.

MR. DIXON: Well, it is not possible, from the Accountant's point of view, to pay 1800 men on the same night that they finished their work. That is the

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(e) That all female employees, and juvenile male employees up to the age of 18 years, shall be paid at an increased rate of 1 1/2 per hour as from the date of resumption of work.

(f) That the week's pay kept in hand shall accumulate at the rate of one day's pay per week from the date of resumption of work.

THE COMMISSIONER: Will you please read that paragraph again, Mr. Dixon.

MR. McNEIL: Yes, my lord.

"(f) That the week's pay kept in hand shall accumulate at the rate of one day's pay per week from the date of resumption of work."

MR. DIXON: Up to the time of the strike we were paid a week in arrears, that is, a man would be paid on a Friday for work which he had completed the preceding Friday. At the time of the strike - a few days after

the employees, and this is to accumulate, without making any payment to the employees, a week's pay, - to put them once again at the end of seven weeks a week in arrears.

MR. McNEIL: What is the purpose of that? When

a man has worked, why is he not entitled to be paid

when it is due.

MR. DIXON: Well, it is not possible, from the

accountant's point of view, to pay 1800 men on the 27th



only answer I can give to that Mr. McRuer.

THE COMMISSIONER: Now, what does the paragraph say?

MR. McRuer: It reads:

"(f) That the week's pay kept in hand shall accumulate at the rate of one day's pay per week from the date of resumption of work.

(g) Where an employee is occupied for a minimum period of one shift on a grade higher than that of his usual occupation he shall be paid, except when employed in the Engineer's Dept. at the rate obtaining for the higher grade.

3. Workers' Committee:

A Workers' Committee shall be formed from representatives of each Dept. to confer with the Management at agreed intervals.

4. Departmental Questions:

(1) Viscose Dept.

(a) The question of medical attention for viscose operatives shall be gone into on the basis of that obtaining in the English plants.

(b) That the labour asked for be allowed subject to reduction to scale (see scale attached) as and when the undermentioned improvements take effect.

Mixer valve condition and elimination of the one way cock under the mixers.

Platforms between the mixers.

Closing of tanks by cave men in churn house cellar.

only answer I can give to that Mr. McNamee.

THE COMMISSIONER: Now, what does the paragraph say?

... ..

... ..

accumulate at the rate of one day's pay per

week from the date of resumption of work.

(g) Where an employee is occupied for a minimum

period of one shift on a grade higher than that

of his usual occupation he shall be paid, except

when employed in the Engineer's Dept., at the rate

obtaining for the higher grade.

... ..

A Workers' Committee shall be formed from

representatives of each Dept. to confer with the

... ..

... ..

(1) Viscose Dept.

(2) The question of medical attention for viscose

operatives shall be gone into on the basis of

that obtaining in the textile plants.

(3) That the labour asked for be allowed subject

to sanction to some (see notes attached) as

and when the undermentioned improvements take

effect.

Mixer valve condition and elimination of the

one way cock under the mixers.

Platforms between the mixers.

Closing of tanks by cover when in down position



"Supply of new crumb trucks.

Dialyser operator to be supplied from a source  
other than the Soda Room Staff."

MR. McRUER: What does that mean?

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MR. DIXON: It is too technical for me to explain,

Mr. McRuer.

"Pulp labour to remain as at present.

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(c) Extra men to be allowed at the rate of one  
man plus or minus per 10.5 batches of viscose per  
week.

5. Extra men to be allowed at the rate of one  
man plus or minus per 10.5 batches of viscose  
per week.

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5. Spinning Dept.

Filtering, etc., to be carried out by the day  
gang.

That the sheds be staffed as follows for the  
time being:

20

<u>1</u>	<u>2</u>	<u>3</u>
35	27	29

In addition edoffer-spinners, will be allowed  
at the rate of 8 per gang, each gang to doff  
4000 boxes per shift or 500 boxes per man.

25

Funnel setters and charge hands to be allowed  
at the rate of one each per doffing gang.

That the surplus time on the shift, apart from  
lunch time, shall be allowed on the machine  
doffing interval or not, as decided by the

30

"Supply of new dump trucks.

analyst operator to be supplied from a source

other than the Soda Room staff."

MR. McNEIL: What does that mean?

MR. BRYDIE: It is too technical for me to explain.

MR. McNEIL:

"Help labour to remain as at present."

(c) Extra men to be allowed at the rate of one

man plus or minus per 10.5 batches of viscose per

week.

B. Extra men to be allowed at the rate of one

man plus or minus per 10.5 batches of viscose

filtering, etc., to be carried out by the day

That the sheds be staffed as follows for the

1	2	3
25	25	25

in addition to other staff, will be allowed

at the rate of 8 per hour, each hour to cost

4000 boxes per shift or 200 boxes per man.

Funnel setters and charge hands to be allowed

at the rate of one each per hour of work.

lunch time, shall be allowed on the machine



convenience of the operatives, whether this results in a longer rest period or the entire elimination of said rest period, but that whatever arrangement may be adopted shall apply throughout the factory.

Sore Eyes - That provided this concession is not abused, an employee suffering from sore eyes shall be paid for the balance of the shift in which the trouble was contracted, provided such trouble can be attributed directly to the process.

6. Reeling Room.

It is agreed that the output per hour per denier should be as follows, any output over and above the scale laid down to be paid for at the bonus rate of 2¢ per board."

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convenience of the operatives, whether this  
results in a longer rest period or the entire  
elimination of said rest period, but that whatever  
arrangement may be adopted shall apply throughout

30% Free - That provided this concession is  
not obtained, an employee suffering from sore  
eyes shall be paid for the balance of the shift  
in which the trouble has occurred, provided  
such trouble can be attributed directly to the

It is agreed that the output per hour per person  
should be as follows, any output over and above  
the scale laid down to be paid for at the bonus  
rate of 5¢ per hour."



Now then, the rates are set out here. I don't know how they compare; the number of boards are set out.

THE COMMISSIONER: There is no use of reading them now.

5 MR. McRUER: Mr. Dixon says it is a general reduction in the number of boards.

"The above will be regarded as the old 26¢ standard now 27¢ standard.

10 "The new 28¢ standard calls for one board per day over the above and the new 26¢ standard calls for one board less per hour.

"Revision of skein length by deniers will call for adjustment of above.

15 "Processing Workers"

"It is agreed that the processing workers shall not be occupied after 6 p.m. on Saturdays.

"7. General.

20 "Promotions: Other considerations being equal, in cases of promotions due regard will be given to seniority.

"Spare Labour: This will normally be carried by Spinning Dept. and in cases of shortage of labour in other departments for any reason, will  
25 be supplied on request.

30 "This agreement and the provisions herein shall remain in full force and effect for a period of one year from this date and from year to year, unless either party to this agreement desires any change or changes. The party desiring such change or changes shall notify the

then, the rates are set out here. I don't know  
how they compare; the number of boards are set out.  
The standard is: There is no use of testing

and standard. Mr. Dixon says it is a general

reduction in the number of boards.

The above will be repeated as the old 200 year-

and now 200 standard.

The new 200 standard calls for one board per

day over the above and the new 200 standard calls

for one board less per hour.

The standard of work length by hand will call

for adjustment of above.

Standard of work

It is noted that the standard is

shall not be exceeded after 5 p.m. on a Sunday.

Standard of work

The standard is

equal, in case of overtime the standard will be

given as necessary.

The standard is: It is well known that the standard

by gaining beat, and in case of shortage of

labor in other departments for any reason, will

be supplied on request.

The standard is

shall remain in full force and effect for a

period of one year from this date and from

year to year, unless other party to this agree-

ment desires any change or change. The party

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15

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25

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other party thirty days prior to the proposed change.

Signed on behalf of Courtaulds (Canada) Limited.

Signed on behalf of The Workers' Representatives."

Allright, Mr. Kenyon.

WILLIAM JOHNSON KENYON Sworn

EXAMINED BY MR. McRUER:

Q. Mr. Kenyon, what office do you occupy with Courtaulds Limited? A. I am works' manager.

Q. Pardon? A. I am works manager.

Q. How long have you been with them? A. With the company?

Q. Yes? A. 12 years.

Q. With the Canadian Company for how long? A. With the Canadian Company for four months.

Q. You have come here from England? A. I am on loan from the English company.

Q. With what company were you connected in England?  
A. Courtaulds Limited.

Q. What mill? A. Mill?

Q. Yes? A. Aber Works, Flint, North Wales.

Q. That is the mill where labour is unionized?

A. That is right.

Q. And were you always connected with that mill?

A. I have been manager of that mill for the last six years.

other party thirty days prior to the proposed

signed on behalf of the company (limited).

signed on behalf of the company, representatives

... Mr. ... what office do you occupy with  
Canada Limited? A. I am works' manager.

Q. How long have you been with them? A. With

... 12 years.

the Canadian Company for four months.

Q. You have come here from England? A. I am on  
loan from the English company.

Q. With what company were you connected in England?  
Canada Limited.

Q. What mill? A. Mill

Q. What is the mill? A. The mill is utilized?  
... That is right.

Q. And were you always connected with that mill?  
A. I have been manager of that mill for the last six



9911

Kenyon

Q. You have been used there to deal with the labour union? A. Yes.

5 Q. In matters of dispute between the employers and the workmen; what do you say as to whether it has facilitated the adjustment of those matters to be able to deal with a union in the North Wales mill?

A. It has facilitated that.

10 THE COMMISSIONER: May we find out, Mr. McRuer, the nature of this union that the witness talks about?

MR. McRUER: Of which.

THE COMMISSIONER: Of this union, what it is.

15 BY MR. McRUER: Q. What is the union that exists among the workers in the North Wales mill? A. It is the Transport and General Workers Union.

Q. Pardon? A. The Transport and General Workers Union.

Q. The Transport and General Workers Union; that is a union that extends all over England, is it?

20 A. Yes.

Q. It is not a spinners union? A. Oh no.

Q. It has nothing to do with textiles at all?

25 A. Nothing to do with textiles-- the textile workers under arrangements of the Trade Union Congress in England come under the Transport and General Workers Union. That is the rayon workers.

Q. Rayon workers? A. Yes.

Q. Rayon workers do not come under -- A. Under the textile union.

30 Q. Under the textile union? A. No.

BY THE COMMISSIONER: Q. That word "Transport",

Q. You have been used to deal with the

A. In matters of dispute between the employers  
and the workmen; what do you say as to whether it  
has facilitated the adjustment of those matters to  
be able to deal with a union in the North Wales mill?  
A. It has facilitated that.

Q. Now, if we find out, Mr. Palmer,  
the nature of this union that the witness talks about  
in the North Wales mill?

A. Of this union, what it is  
among the workmen in the North Wales mill? A. It  
is the Transport and General Workers Union.

Q. The Transport and General Workers  
Union?

A. The Transport and General Workers Union; that  
is a union that extends all over England, is it?

Q. Yes.

A. It is not a London union, is it?  
A. It has nothing to do with textiles at all?  
A. Nothing to do with textiles - the textile workers  
under arrangements of the Trade Union Congress in  
England come under the Transport and General Workers  
Union. That is the reason.

Q. Textile workers?

A. They are not under --

the textile union.

Q. Under the textile union?



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does that include railways ? A. All kinds of transport, not railways, trams, busses, movements on docks, and all that kind of thing.

5 Q. And the rayon workers come within that union ?

A. Yes, under the heading General Workers.

Q. They do not go with the cotton spinners or the woollens ? A. No.

10 BY MR. McRUER: Q. As a matter of interest can you tell us how it is they come to be connected with that General union and not with the textile union ?

A. I think it is a sort of sharing out of the total union membership of the country, and it is arranged by the Trade Union Congress.

15 Q. It is a sort of division that the Congress has made itself? A. I understand that.

Q. Well, you have been in Canada about four months?

A. That is right.

20 Q. You came here, I understand on account of Mr. Linnett's serious illness? A. That is right.

Q. You are on loan to this company; there is nothing permanent about it as yet? A. No, no.

25 Q. You were here then at the inception of the trouble in Cornwall? A. Yes sir.

Q. How did that arise; how did it come about in the first place ? A. Well, I understood when I arrived here that meetings were being held about the town with the idea of the workers forming a union.

30 Q. Yes ? A. And I invited -- or there was a small trouble in our reeling department --

Does that include railways? A. All kinds of trans-  
port, not railways, trams, buses, governments or docks,  
and all that kind of thing.

And the rayon workers come within that union?  
A. Yes, under the heading General Workers.

They do not go with the cotton spinners or the  
woolens? A. No.

BY MR. MONROE: Q. As a matter of interest can  
you tell us how it is they come to be connected with  
that General Union and not with the textile union?  
A. I think it is a sort of showing out of the total  
union membership of the union, and it is arranged  
by the Trade Union Congress.

It is a sort of division that the Congress has  
made itself? A. I understand that.

Well, you have been in London about four months.  
A. That is right.

You came here, I understand on account of Mr.  
Dunlop's serious illness? A. That is right.

You are on loan to this company; there is  
nothing permanent about it is there? A. No, no.

You were here when at the invitation of the  
Trade Union Congress? A. Yes sir.

How did that arise; was this it came about in  
the first place? A. Well, I understood when I ar-

rived here that meetings were being held about the  
union with the idea of the workers forming a union.

Yes? A. And I invited -- or there was a  
small trouble in our relation with the



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Kenyon

Q. In which ? A. In our reeling department.  
A girl decided she could not operate the number of  
reels that had been allotted to her.

5 Q. Has that to do with the boards we have been  
hearing about in the agreement ? A. That is in that  
department, yes.

10 Q. The boards that we referred to, so many  
boards an hour ? A. It is not actually a question  
of the boards, but the number of reels allotted to a  
girl enables her to make up a certain number of boards  
which qualify her for a rate of pay and she was  
complaining she could not operate that number.

15 Q. She was complaining she could not operate  
that number ? A. That is correct, yes.

Q. All right, you go on. A. And she did not  
put forward her complaint in a proper manner.

20 Q. What do you mean by that ? A. She took it  
upon herself to stop the reels that she considered  
herself incapable of operating and on being told  
to start those reels she left her machine.

Q. What was that girl's name ? A. Mamie  
Lavigne.

25 BY THE COMMISSIONER: Q. Lavigne ? A. Lavigne.

BY R. McRUER: Q. You say she did not put for-  
ward the complaint in a proper way but she stopped  
the reels she thought she could not operate ? A.  
That is correct.

30 Q. Are you sure she did not complain to the  
foreman, or other superior officers in the mill or  
superior employees ? A. I believe she had

Q. In which? A. In our testing department.

A girl decided she could not operate the number of

reels that had been allotted to her.

Q. Has that to do with the boards we have been

hearing about in the agreement? A. That is in the

department, yes.

Q. The boards that we referred to, so many

boards an hour? A. It is not actually a question

of the boards, but the number of reels allotted to a

girl enables her to make up a certain number of boards

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that number? A. That is correct, yes.

Q. All right, you go on, A. and she did not

put forward her complaint in a proper manner.

Q. What do you mean by that? A. She took it

upon herself to stop the reels that she considered

herself incapable of operating and on being told

to start those reels she left her machine.

Q. What was that girl's name? A. Maria

BY THE COURT: MR. J. J. Lavinne? A. Lavinne.

BY R. McHUGH: Q. You say she did not put for-

ward the complaint in a proper way but she stopped

the reels she thought she could not operate? A.

That is correct.

Q. And you are she did not complain to the

foreman, or other superior officers in the mill or



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mentioned it to her floor mistress.

Q. Her floor mistress? A. Yes.

Q. Had she not done more than mention it?

5 Had she not made it as a definite complaint and then got no action on it or no satisfaction? A. I am not quite acquainted with that. The first knowledge I had of this incident was a report from the foreman of the department to the effect that three girls --  
10 four girls -- all together had left their work and left the room in which they had been working.

Q. Had you not inquired from a foreman as to how much complaint they had had and whether they had taken any action? A. You see, it just comes to you but probably the foreman had been hearing these  
15 complaints and doing nothing about them. The fault may have been with the foreman and not with the girls.

A. I have no reason to suppose that because we pay a bonus system of two cents a board, and the large  
20 proportion of the girls, had been able to earn that bonus formerly.

Q. They had been able to do it? A. Yes.

Q. To what extent had it extended then so that it was taxing their physical capacity more than an  
25 employee's physical capacity ought to be taxed?

A. Well --

Q. Do you know anything about that? A. No. The limit of a girl's earnings was her own capability.  
30

Q. Not only her own capability, but the extent to which she would stretch her physical ability;

Kenyon

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mentioned it to her floor mistress.

Q. Had she not done more than mention it?

A. Had she not made it as a definite complaint and then

got no action on it or no satisfaction? A. I am

I had of this incident was a report from the foreman

of the department to the effect that three girls --

four girls -- all together had left their work and

left the room in which they had been working.

Q. And you not inquired from a foreman as to

how such complaint they had had and whether they

had taken any action? A. Yes, it just comes to

you but probably the foreman had been hearing these

may have been with the foreman and not with the girls.

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proportion of the girls, had been able to earn the

bonus formerly.

Q. They had been able to do it? A. Yes.

Q. To what extent had it extended then so that

it was taking their physical capacity more than an

A. Well --

Q. Do you know anything about that? A. No.

The limit of a girl's earnings was her own capabili-

ty.

Q. Not only her own capability, but the ex-



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Kenyon

that all comes into the question. It is not their capability but the physical limitation? A. Oh, quite.

5 Q. Some may have stronger physiques than others?

A. And others are more dexterous than others.

10 Q. All right, you go on and tell us how the trouble developed? A. Well, this all leads up to my introduction to this union that was forming at that time. The girls left their work and when they were asked why they had done so, they told me they had left their room in which they worked to find the President of the union.

15 Q. Yes. A. To report to him this happened.

Q. Well now, to begin with their complaint, the complaint that started this trouble was one that was ultimately adjusted? A. Yes.

Q. The boards were reduced? A. Yes.

20 Q. Go on? A. That made me acquainted with the president of the union.

Q. Who was that? A. Lavery.

25 Q. Yes? A. Up to that time we had not been able to make contact with any one connected with the union.

Q. Yes? A. Having made contact through this incident --

BY THE COMMISSIONER: Q. Who is Lavery, by the way? A. He is the president of the union.

30 Q. What was his position with you? A. He was employed in the jet stall.

BY MR. McRUER: Q. What department did he work

Kenyon

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... it all comes into the question. It is not their

possibility but the physical limitations. A. Oh,

quite.

... Some may have stronger physical than others

and others are more dexterous than others.

... All right, you go on and tell us how the

trouble developed? A. Well, this all leads up to

my introduction to this union that was forming at

that time. The girls left their work and when they

were asked why they had left their work

had left their room in which they worked to find the

President of the union.

... A. To report to him this happened.

... Well now, to begin with their complaints,

the complaint that started this trouble was one that

was ultimately adjusted. A. Yes.

... The girls were reduced? A. Yes.

... Go on? A. That made me acquainted with the

President of the union.

... A. Yes.

... Yes? A. Up to that time we had not been

able to make contact with any one outside the

union.

... A. Having made contact through this

last time

... A. The President of the union.

... He is the President of the union.

... A. Yes.

... A. Yes.

10

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Kenyon

in? A. The spinning department.

Q. I believe <sup>you</sup> found it convenient to dis-  
continue his services after this incident? A. I would  
not say that.

Q. Well, he is not working there now? A. I  
don't know that I found it convenient to discontinue  
his services.

Q. Well, they were discontinued? A. He is not  
working there at the moment.

Q. You refused to employ him? A. I don't know  
that I have refused to employ him at any time.

Q. You ought to know, you say you don't know --  
A. I have not refused to employ him.

Q. How did he come to be laid off then? A. There  
are still some men not reengaged since the strike.

Q. He is one of them? A. He is one of them.

Q. And those that were active in the strike have  
not been re-engaged? A. Yes.

Q. Well now, there must be some policy underlying  
that; you have actually discriminated against the  
leaders of the strike, have you not? A. No.

Q. Well, Iaverty the leader, has not been employed;  
is there any other reason that he is not employed than  
the fact that he was a leader in the strike? A. I  
have a definite arrangement with the Workers' Repre-  
sentatives as to how and when they shall be reemployed  
following the strike.

Q. What is your arrangement? A. This notice has  
been posted in the mill. Shall I read it out?

Q. Please? A. Representations were made to me





by representatives of the work people to the effect that they wanted to share out the labour which was available amongst the whole of the people who had been on our books prior to the strike.

5           Q. Yes? A. The arrangements made for the engagement of labour following the strike had not absorbed the whole of that number. In order to get at the true feeling of the majority of the employees with whom the sharing of work had been a source of grievance prior to the strike we held a ballot. The result of that was very decisive in favour of sharing work, and in consequence of that I posted this notice.

RESULT OF BALLOT  
SURPLUS MALE LABOUR

"In Favour of sharing work"	463
"Against sharing work"	127
"Ballot papers spoiled"	28
Votes not recorded	142
"Total employed"	760

20           "As this result was so decisive, it has been arranged that the surplus labour on the books shall commence to be re-employed as from Monday next the 12th inst. Whatever number of the surplus employees is brought in at any time, shall displace an equal number of those already employed, for weekly periods.

25           "It is hoped that this arrangement will not be abused and that its amicable operation will lead to the preservation of the good relations established on the signing of the Agreement following the recent unfortunate dispute.

30           CONTRAIDS (CANADA) LTD.    10th October, 1936."

by representatives of the work people to the effect  
 that they wanted to share out the labour which was  
 available amongst the whole of the people who had been  
 on our books prior to the strike.  
 .. Yes? A. The arrangements made for the

engagement of labour following the strike had not ab-  
 sorbed the whole of that number. In order to get at  
 the true feeling of the majority of the employees with  
 whom the sharing of work had been a source of grievance  
 prior to the strike we held a ballot. The result of  
 that was very decisive in favour of sharing work, and  
 in consequence of that I posted this notice.

**NOTICE**

453	IN FAVOR OF sharing work
127	AGAINST sharing work
25	NOT RECORDED
143	NOT RECORDED
750	TOTAL EMPLOYED

arranged that the surplus labour on the books shall  
 commence to be re-employed as from Monday next  
 the 15th inst. The total number of the surplus  
 labour is brought in at any time, shall dis-  
 pose an equal number of those already employed.  
 for weekly rotation.

IT IS ORDERED THAT THIS ARRANGEMENT SHALL BE

be changed and that the said operation will  
 be to the preservation of the good relations

between the labour and the management.

WITNESSED BY THE MANAGER OF THE BRIDGE



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What was posted on the 10th of October ?

5 Q. What has that got to do with the fact that you have not taken back for any employment Laverty or other leaders of the strike ? A. Simply because we haven't employment for them.

Q. Well now, how many employees have you taken back ? A. At the time this notice was posted there were 760.

10 Q. 760 had been taken back ? A. Yes, that is males only.

Q. Pardon ? A. Males only.

Q. How many females ? I want down to date, not at the time the notice was posted ? A. Pardon.

15 Q. Down to date ? A. To date, on the 20th October there were 880 males reemployed, and 76<sup>1</sup>/<sub>2</sub> females.

Q. Now, of the 880 how is it that the leaders of the strike are selected that they should not be employed ?

A. The leaders of the strike are not selected.

20 Q. They are not employed ? A. Yes.

Q. They are ? A. Some of them.

Q. Who ? A. Ma Blair, Blair is Vice-president of the Union.

Q. Blatt ? A. Blair.

25 Q. He has been taken back ? A. Yes.

Q. When was he taken back ? A. He was taken back quite early on.

30 Q. Now, do you say on your oath that the reason that Laverty is not taken back has nothing whatever to do with his activities in the union; are you swearing to that ? A. No, I won't swear to that.

Kenny

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That was posted on the 10th of October.

What has that got to do with the fact that you

have not taken back for any employment livery or other

employment in the strike?

Employment in the strike?

All right, but I want to know if you have

any more of the same kind of thing going on now?

730 had been taken back? A. Yes, that is what

7. Pardon? A. Ladies only.

How many females? I want down to date, not

at the time the notice was posted? A. Pardon.

Down to date? A. To date, on the 10th of

October there were 800 males unemployed, and 750 females.

Now, of the 800 how is it that the leaders of

the strike are unemployed? A. They are not selected.

A. The leaders of the strike are not selected.

They are not employed? A. Yes.

They are? A. None of them.

What? A. Mr. Blair, Blair is Vice-President

of the Union.

Blair? A. Blair.

He has been taken back? A. Yes.

When was he taken back? A. He was taken

quite early on.

Now, do you say on your oath that the reason

that Lavery is not taken back has to do with his

activities in the union; are you swearing



Q. You won't swear to that? A. No.

Q. Well, then, why do you take into consideration his activities in the Union in declining to take him back? A. Simply because there are other people who are more amicable in their relationships with us.

Q. More amicable in their relationships?

A. Yes.

Q. Let us see what it was that Lavery and his friends contended for that you think was improper, or that he should be penalized for. In the first place he was supporting to the girls in reference to their contention that they had too many boards and too many skeins p r hour. That is the claim that started it, wasn't it? A. My relations with Lavery over that incident were perfectly friendly and he was in agreement with everything that took place.

Q. They turned out ~~xxxx~~ to be right about that?

A. Certainly.

Q. So we have disposed of that; now, what was the next contention that Lavery had put forward that they should get? A. The main incident where our relations with Lavery were severed was on his insistence of recognition of the union.

Q. Ah, yes. Now then, --

THE COMMISSIONER: Now, Mr. McRuer, the witness talks about a union, the president of a union; what is this union?

BY MR. McRUER: Q. What was the union that

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Memphis

Q. You won't swear to that? A. No.

Q. Well, then, why do you take into consideration his activities in the Union in declining to take

him back? A. I think it was because he was a

very bad character and was not trustworthy.

18.

Q. More amicable in their relationships?

A. Yes.

Q. Let us see what it was that Laverly and his

friends contended for that you think was improper,

or that he should be penalized for. In the first

place he was supporting to the girls in reference to

their contention that they had too many pounds and

too many skirts per hour. That is the claim that

started it, wasn't it? A. My recollection is

Laverly over that incident were perfectly friendly

and he was in agreement with everything that took

place.

Q. They turned out there to be right about that

A. Certainly.

Q. So we have disposed of that; now, what was

the next contention that Laverly had put forward that

they should get? A. The next incident arose out

of that he with a very few were covered was on his in-

stance of recognition of the Union.

Q. Yes. Now then, --

Q. Now, then, the witness

testified that the president of a union, that

is this union?

Q. Yes, that is the union.



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Kenyon

Mr. Lavery wanted and insisted on being recognized?

A. Well, I was trying to explain to you how I came to be aware of the existence of this union.

5 Q. Well, it does not make much difference how you got aware of the existence of it. You certainly got aware of the existence of it? A. Yes, but you are rather confusing that with the incident of the girls leaving their reels earlier on.

10 Q. Well, that was the start of it? A. That made me acquainted with Mr. Lavery, and my next move was to invite -- having become cognizant of the fact that a union was forming I invited Mr. Lavery to bring his committee to meet me to discuss the position.

15 Q. Yes? A. We held a meeting at the works and I proposed that in preference to joining any outside organization they should form a works' council.

Q. Yes --

20 THE COMMISSIONER: What was this organization?

BY MR. McRUER: Q. What was the outside organization they had joined or were joining? A. Well, the idea, so far as I could gather, was that a union of industrial workers should be formed in Cornwall.

25 Q. A union of industrial workers should be formed in Cornwall? Do you mean textile workers?

A. No, every worker in Cornwall.

Q. Every worker in Cornwall? A. Yes.

Q. In the same union? A. In the same union.

30 Q. I see; that plan did not last very long because they apparently incorporated very shortly as a

...insisted on being recognized

Well, I was trying to explain to you how I came

to be aware of the existence of this union.

Well, it does not make much difference

you got aware of the existence of it.

Got aware of the existence of it? A. Yes, but you

are rather confusing that with the question of the

girls leaving their heels earlier on.

Well, that was the point of it? A. That

made me acquainted with Mr. Lavery, and my next

move was to invite -- I think became cognizant of the

fact that a union was forming I invited Mr. Lavery

to bring his committee to meet me to discuss the

position.

Yes, A. He held a meeting at the works

and I proposed that in preference to joining any out-

side organization they should form a works' council.

THE CHAIRMAN: What was this organization?

BY MR. BRYCE: A. That was the works' organ-

ization they had formed or were joining? A. Well,

the idea, so far as I could gather, was that a union

of industrial workers should be formed in Cornwall.

A union of industrial workers should be

formed in Cornwall? Do you mean works' workers?

No, every worker in Cornwall.

THE CHAIRMAN: Is that all?

In the same union? A. In the same union.

I see: that plan did not



local of the United Textile Workers of America.

A. Yes, after they had gone on strike.

Q. Well, they had gone on strike first? A. Yes.

5 THE COMMISSIONER: The point I was trying to get at is that the witness refers to Lavery before the strike as president of a union, as if there was one at least in the mill. That is what I want to know more about. What was that particular union he was president of? A. I gathered Lavery was attempting to form a local union.

10 Q. You say of all the workers? A. Of all the workers in Cornwall, and as an alternative so that we should not be involved in other disputes in town I suggested that they should form a works' council which would operate only in our own mill.

15 BY MR. McRUIN: Q. Yes? A. The committee accepted this proposal and took it away to their general meeting.

20 Q. You say they accepted the proposal, or they received it? A. Received it; they took it to their general meeting that evening and turned it down.

25 Q. Yes? A. No further communication was made to me, but it was announced in the press that they had scored a great union victory. I waited for a communication from this committee.

Q. What press was that announced in? A. In the Standard Freeholder and the Clarion.

30 Q. Mr. Lavery and those with him, Mr. Welch, repeatedly disassociated themselves with anything that appeared in the Clarion, did they not? A. Yes.

anyone  
1901

local of the United Textile Workers of America.

A. Yes, after they had gone on strike.

Q. Well, they had gone on strike first? A. Yes.

Q. It is that the witness refers to Laverly before the strike as president of a union, as it there was one at least in the mill. What is what I want to know more about. A. It was that particular union he was president of? A. I gathered Laverly was attempting to form a local union.

Q. You say of all the workers? A. Of all

the workers in Cornwall, and as an alternative so that we should not be involved in other disputes in the mill. I remember that when I was there, some-  
all which would be done only in our own mill.

BY MR. McLELLIN: Q. Yes? A. The committee ac-

cepted this proposal and took it up to their general meeting.

Q. You say they accepted the proposal, or they

rejected it? A. I believe it; they took it to their general meeting that evening and turned it down.

Q. Yes? A. No further communication was made

to me, but it was announced in the press that they had secured a great union victory. I waited for a

Q. How long was that? A. I am not sure, but it was in the afternoon.

Q. Mr. Laverly and I was with him, Mr. Brydie,

Q. The witness stated that he was with him, Mr. Brydie, and I was with him, Mr. Brydie.



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5

Q. All right, go on? A. Well, what it amounts to is that I was ignored with my proposition. They never attempted on any occasion to communicate with me the result of their general meeting on my proposition. The following Tuesday afternoon I spoke to Mr. Laverty on the subject and told him that if he could not conduct his affairs in a proper manner he could not expect proper treatment from us.

10

Q. What were you referring to that he had not conducted properly? A. That my proposition had been ignored; at least I was ignored on the matter and the thing had been made public through the press.

15

Q. Yes, go on? A. Well, that evening I was informed that the spinners were going to strike and I went to the mill and had a discussion with Laverty on the subject. The reason given for the strike was that I had refused to recognize their union. I pointed out that all I had done was to suggest that they should conduct their affairs in a businesslike manner so that each side would know where they stood.

20

Q. You had, as a matter of fact, refused to recognize any union, had you not? A. No.

25

Q. You did or had your mind made up you would not? A. I had suggested an alternative.

Q. You had your mind made up you would not? A. Not at all.

30

Q. I rather took it from Mr. Johnson that was the case? A. Not at that time.

Q. Well, -- A. I merely suggested an alternative to a union ~~if~~ which they were not prepared to adopt.

Q. All right, go on? A. Well, what it amounts

to is that I was ignored with my proposition. They never attempted on any occasion to communicate with me the result of their general meeting on my proposition. The following Tuesday afternoon I spoke to Mr. Laverly of the situation and told him that if he could not get his affairs in a proper manner he could not expect proper treatment from me.

Q. What were you referring to that he had not conducted properly? A. That my proposition had been ignored; at least I was ignored on the matter and the thing had been made public through the press.

Q. Yes, go on? A. Well, that evening I was informed that the spinners were going to strike and I went to the mill and saw a demonstration of the subject. The reason given for the strike was that I had refused to recognize their union. I pointed out that all I had done was to suggest that they should conduct their affairs in a businesslike manner so that each side would know where they stood.

Q. You had, as a matter of fact, refused to recognize any union, had you not? A. No.

Q. You did or had your mind made up you would

not? A. I had suggested an alternative.

Q. You had your mind made up you would not?

A. Not at all.

Q. I rather took it from Mr. Johnson that was

the case? A. Not at that time.

Q. I merely suggested an alternative

and he took it as a matter of fact that I had refused to



Q. Yes? A. Well, the discussion on the evening of August 11th with Lavery was never concluded by us. The spinners sent a message down to him to say that he had been wasting enough time talking to me. They were coming out on strike anyway, and they walked.

Q. You could not blame Lavery for that?  
A. I do not blame Lavery for that, no.

Q. Then, the spinners evidently had thought Lavery was wasting too much time talking to you?

A. Yes.

Q. According to their message? A. Yes.

Q. Then, did they go out on strike? A. They walked straight out of the mill.

Q. Then, what developed in the negotiations following that? A. They walked out and stayed out. A staff was employed stopping the machines which they had left running and cleaning up the factory.

Q. I don't want the cleaning of the factory; let us get down to the negotiations. A. The next move was that Mr. Fine arrived.

Q. Mr. who? A. Mr. Fine; he was sent down by the Minister of Labour for Ontario, and he attempted to make some sort of terms between the union people and ourselves as to the conditions on which we should attempt some negotiation. He had to go away early the following day, and this arrangement he made was carried on very late at night. We were informed the following morning that Mr. Fine had exceeded in the agreement with the union people, and that they

Q. Yes?

A. Well, the discussion

on the evening of August 15th with Lavery was never concluded by us. The spinners sent a message down to him to say that he had been wasting enough time talking to them, they were coming out on strike anyway, and they

Q. Two minutes was given to the spinners?

A. I do not blame Lavery for that, no.

Q. Then, the spinners evidently had thought Lavery was wasting too much time talking to you?

A. Yes.

Q. According to their message?

A. Yes.

Q. Then, did they go out on strike? A. They

walked straight out of the mill.

Q. Then, what developed in the negotiations

following that? A. They walked out and

stayed out. A staff was employed stopping the machine which they had left running and cleaning up the factory.

Q. I don't want the cleaning of the factory; I

was sent down to the negotiations. A. The next move

was that Mr. Fine arrived.

Q. Mr. Fine? A. Mr. Fine; he was sent

down by the Minister of Labour for Ontario, and he

attempted to make some sort of terms between the union people and ourselves as to the conditions on which we should attempt some negotiation. He had to go away

with the following day, and the agreement was made the following morning that the union should be in the agreement with the union people, and that they

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were going to break off their connection with him altogether.

5 Q. That he had what? A. Exceeded what they had promised to put up with his doing during the strike. There was some question of how many safety men we should be allowed.

BY THE COMMISSIONER: Q. How many safety men; what is that? A. There was a misunderstanding with regard to a pump men. We had asked for a pump man, or Mr. Fine had asked the union people for one pump man to be allowed in the factory.

10 Q. That is during the strike? A. Yes, and Mr. Fine -- or Mr. Fine had told us, or we had interpreted it we were allowed one pump man per shift which amounted to three, and to this the union objected and it broke down the relations which Mr. Fine had established over night.

15 BY MR. McRUER: Q. But the fact was there was a misunderstanding apparently in respect to that?

20 A. Quite.

Q. Alright, go on. A. Some days later Mr. Marsh came down and he opened up negotiations between us. These negotiations continued and in the first place they were broken down after Mr. Marsh had left by the fact that I was not in a position to recognize the union, or to discuss alterations in wages.

25 Q. Now, the union that was desiring to be recognized at that time -- A. Pardon?

30 Q. -- was what union. Was that a local of the -- A. The first union was the Rayon Workers

their union is not off their minds with the

altogether.

Q. That he had what? A. He asked what

they had promised to put up with him doing during the strike. There was some question of how many safety men we should be allowed.

BY THE COMMISSIONER: Q. How many safety men?

A. There was a misunderstanding about that.

Q. With regard to a pump man, he had asked for a pump

man or Mr. Fine had asked the union people for one

pump man to be allowed in the factory.

Q. That is during the strike? A. Yes, and

Mr. Fine -- or Mr. Fine had told us, or we had inter-

acted it we were allowed one pump man per shift

which amounted to three, and to this the union objected

and it broke down the relations which Mr. Fine had

established over night.

BY MR. BRIDLE: Q. But the fact was there was a

misunderstanding as to what was required in respect to

A. Yes.

Q. Right, go on. A. Some days later

the union was told that it was not to be allowed to

place they were broken down after Mr. Marsh had left

by the fact that I was not in a position to recognize

the union, or to discuss alterations in wages.

Q. Now, the union that was desiring to be

recognized by the union?

A. Yes, the union that was desiring to be

recognized by the union?



Industrial Union of Cornwall.

Q. Now, you gave us the impression that they were trying to have you recognize a general union of Cornwall of all industrial workers ? A. Yes.

5 . But from the name of the union I would judge it was only rayon workers .

THE COMMISSIONER: What was the name?

BY MR. McRTER: Q. The name is the Rayon Workers Industrial Union ? A. Yes.

10 . That would not include the pulp and paper people ? A. Yes, but there was no secret made it was intended to bring those into it.

Q. Into the Rayon Workers Industrial Union ?  
15 A. Into the industrial union of Cornwall.

Q. You say it was intended to bring them in; I will have to have Mr. Lavery on that? A. It was openly stated so.

20 Q. That they intended to come into that union, or that they intended to organize these other workers into a union of their own; are you not confusing on the matter ? A. No. I don't think I am.

25 Q. They openly stated they proposed organizing other workers into a union, to come into this Rayon Workers Industrial Union ? A. The programme was to start the union with Courtaulds. Then they were to bring in the other industries of the town.

Q. Into the chain union? A. Into the chain union.

30 Q. Or into a union covering these industries?  
A. Into a union to be known as the Industrial

Industrial Union of Cornwall.

Now, you have in the information that they

were trying to have you recognize a general union of

Cornwall of all industrial workers? A. Yes.

But from the name of the union I would judge

it was only rayon workers.

THE WITNESS: What was the name?

By Mr. Robt. Brydie: The name is the Rayon Workers

Industrial Union? A. Yes.

That would not include the pulp and paper

people? A. Yes, but there was no secret made it was

intended to bring these into it.

Into the Rayon Workers Industrial Union?

A. Into the industrial union of Cornwall.

Now say it was intended to bring them in;

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That they intended to come into that union,

or that they intended to organize these other workers

into a union of their own; are you not confusing

on the matter? A. No. I don't think I am.

They openly stated they proposed organizing

other workers into a union, to come into this Rayon

Workers Industrial Union? A. The programme was to

start the union with Cornishmen. Then they were to

bring in the other industries of the county.

Into the other unions? A. Into the chain

or into a union covering these industries?

A. Yes, a union covering these industries.



Workers of Cornwall.

Q. Go on; at any rate, the union they were asking you to recognize was the Rayon Workers Industrial Union? A. Yes

5 Q. That is what it is called in the proposed agreement? A. Yes, that is what they call it.

Q. Go on. A. I haven't any authority to recognize any unions.

10 Q. Why? You had recognized a union in the plant you come from in England? A. I have not.

Q. Pardon? A. I have not.

Q. Well, who had? A. The managing director.

15 Q. So that is left with the managing director in England? A. Certainly.

Q. Well, all right; go on and tell us --

THE COMMISSIONER: Q. With whom would it be left here? A. Negotiations were opened by Mr. Marsh --

20 BY MR. McRUER: Q. No, with whom would the authority to recognize a union be here in regard to Courtaulds Canada Limited? A. The president, Mr. Johnson.

THE COMMISSIONER: Who was in England.

25 MR. McRUER: Yes. Was he in England or on his way out at that time? A. He was in England.

Q. It would not have taken you long to get in touch with Mr. Johnson? A. I did get in touch with him.

30 Q. All right, go ahead. A. Mr. Johnson was in England and it was a week before he could sail. It took a week to get here. Well, Mr. Marsh

Q. (No on; at any rate, the union is there asking you to recognize it was the Union for the

Industrial Union?

Q. What is what is called in the proposed

agreement? A. Yes, that is what they call it.

Q. Go on. A. I haven't any authority to

negotiate with them.

Q. Why? You had recognized a union in the

plant you came from in England? A. I have not.

Q. Perhaps? A. I have not.

Q. Well, who had? A. The managing director.

Q. So that is left with the managing director

in England? A. Certainly.

Q. Well, all right; so on and tell me --

THE CHAIRMAN: A. With whom would it be

very hard? A. Negotiations were opened by the Union --

THE CHAIRMAN: A. No, with whom would the

authority to recognize a union be here in regard to

Canadiana Canada Limited? A. The president, Mr.

Johnson.

THE CHAIRMAN: A. He was in England.

THE CHAIRMAN: A. He was in England or on

his way out at that time? A. He was in England.

Q. It would not have taken you long to get in

and see to it that the Union was not in power in

the plant you came from in England? A. Yes, I

was in England and I was a week before he could

get in. It took a week to get in, and I was



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Kenyon

opened negotiations between us and my attempt was to get rid of the minor points on which I had some authority prior to Mr. Johnson's arrival.

5 Q. Such as what? A. Conditions in the plant.

Q. Wages? A. The work a man should do in a shift and all that kind of thing; not wages.

Q. Not wages, not the number of skeins? A. Oh, yes, the number of skeins, yes.

10 Q. You could handle that? A. Yes.

Q. You could not increase the wages? A. I could not alter the wages and I could not recognize a union. Those were the two main points all through and negotiations broke down on one or two occasions because I could not give a ruling on those questions.

15 Q. Yes? A. Eventually they agreed to wait until Mr. Johnson's return and then we proceeded with the negotiations. They had steadily refused all through this time to allow us to remove silk from the plant.

20 By this time we had police protection, and from points coming in from our customers as to non-delivery of silk. Through these complaints we were afforded police protection and because under that protection

25 we insisted on shipping yarn negotiations broke down again, and then there was nothing done until Mr. Johnson arrived.

30 Q. I do not think we need to go through all the details of the negotiations. I just want to deal with the second agreement. The first agreement that was put forward was quite obviously a sort of feeler that

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Kempson

opened negotiations between us and my attempt was to get rid of the minor points on which I had some reservations prior to Mr. Johnson's arrival.

Q. Such as what? A. Conditions in the plant.

Q. Wages? A. The work a man should do in a

shift and all that kind of thing; not wages.

Q. Not wages, not the number of skeins? A. Oh,

Yes, the number of skeins, yes.

Q. You could handle that? A. Yes.

Q. You would not have any more to say?

A. I could not alter the wages and I could not recognize union. Those were the two main points all through and

negotiations broke down on one or two occasions be-

cause I could not give a ruling on those questions.

Q. Yes? A. Eventually they agreed to wait

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we insisted on shipping yarn negotiations broke down

again, and then there was nothing done until Mr. Johnson

arrived.

Q. I do not think we need to go through all the

details of the negotiations. I just want to deal with

the second agreement. The first agreement that was

not reached was quite obviously a sort of feeling that



was thrown out and then the second agreement is put forward by the union after it had been organized.

It is put forward by the local of the union --

5 THE COMMISSIONER: Now, that union was the Textile --

MR. Mc RUER: Yes, my lord, the Textile Workers of America, the United Textile Workers of America.

Now, will you look at the agreement that appears on page 27 ? A. Yes.

10 Q. And tell me what, if any, clauses in the agreement were so objectionable that they could not be settled with the members of the union because with the exception of the recognition of the union I don't see very much in the ultimate agreement that would enter into -- A. I think that is what it turned on.

15 Q. -- that differs ; that would be fair, would it not, Mr. Kenyon? A. I think that is so.

20 Q. That you conceded practically all demands of the second agreement that was put forward with the exception of the recognition of the union ? A. Quite, and with the exception of the wages, of course.

25 Q. You conceded the principle involved, as Mr. Johnson' suggests, in the second agreement? A. Yes. The modification of the two agreements came about through discussion I had with the union committee prior to Mr. Johnson's arrival.

30 Q. The question of wages was ultimately settled? A. Yes.

Q. And the question of the number of boards, and so on, those things were all capable of settlement but

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Weynon

was thrown out and then the second agreement is put forward by the union after it had been organized.

It is put forward by the local of the union --

THE COMMISSIONER: Now, that union was the

MR. MC RUIR: Yes, my lord, the Textile Workers

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and with the exception of the wages, of course.

Q. You conceded the principle involved, as Mr.

Johnson suggests, in the second agreement? A. Yes.

Q. The modification of the two agreements came about through

discussion I had with the union committee prior to Mr.

Q. The question of wages was not really settled

A. Yes.

Q. And the question of a number of boards, and

so on, those things were all capable of settlement by



the question of recognition of the union was not capable of settlement? A. That is so.

5 Q. In respect to entering into this agreement contained on page 27 you could not sign it because that required you to recognize the union? A. That is right.

10 Q. And I have examined Mr. Johnson as to his reasons for that, and I suppose, Mr. Kenyon the decision in that respect rested with Mr. Johnson and that he is the proper man to dictate the policy on it and to explain it? A. Yes.

Q. So that I don't think there is anything to be gained by my examining you about it?

15 BY THE COMMISSIONER: Q. Before Mr. Kenyon goes, I would like him to tell me just again what is the position now as agreed upon and followed in regard to labour organization in your mill. A. There is a clause in the agreement, sir, to the effect that we shall form a workers' committee.

20 Q. That you shall form? A. That a committee agreeable to both sides shall be formed in the mill.

25 MR. McIVER: That clause, my lord, is at page 101. "A workers' committee shall be formed from representatives of each department to confer with the management at agreed intervals." That is all.

30 THE COMMISSIONER: That is apparently something like the organization we heard about at Three Rivers.

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Kenyon

The question of recognition of the union was not  
capable of settlement? A. That is so.

In regard to entering into this agreement  
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is right.

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that he is the proper man to decide the matter on  
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Q. So that I don't think there is anything to  
be gained by my examining you about it?  
A. Yes.

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is the position now as agreed upon and followed in  
regard to labour organization in your mill. A. There  
is a clause in the agreement, viz, to the effect  
that we shall form a workers' committee.

Q. That you shall form? A. That is con-  
sidered agreeable to both sides shall be formed in  
the mill.

Q. Now, that clause, my friend, is at page

representatives of each department to confer with  
the management at agreed intervals. That is all.  
W. L. BRYDIE: That is correctly some-

thing like the organization we have about at Three

Rivers.



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Kenyon.

MR. McRUER: Yes, a shop committed.

THE COMMISSIONER: I think they called it a council there? A. A works council.

Q. That is what you call it too? A. Yes.

Q. It is organized now? A. It has not been organized because we have not got all the people back from the strike, and in the meantime, such negotiations as we have been carrying on have been carried on with the representatives of the work people who concluded the final agreement, and myself.

BY MR. McRUER: Q. You are not waiting for Mr. Lavery to come back, are you? A. No, I don't think so.

THE COMMISSIONER: Another thing, and perhaps this is the place to get it. I would like to be told exactly what types of manufacturing are being done here by this company.

BY MR. McRUER: Q. Are you in a position -- you are the best man to tell us about that; now, just tell us what it is you manufacture here? A. Rayon yarns, viscose, rayon yarn.

Q. And nothing else? A. Nothing else.

BY THE COMMISSIONER: Q. Nothing else? A. Nothing else.

Q. You were talking about silk shipments?

BY MR. McRUER: Q. You meant artificial silk when you said that? A. Yes.

BY THE COMMISSIONER: Q. You meant yarn? A. Shipments of yarn.

BY MR. McRUER: A. You do not further manufacture

THE COMMISSIONER: I think they called it a

council there? A. A works council.

Q. That is what you call it too? A. Yes.

Q. It is organized now? A. It has not been

or organized because we have not got all the people

back from the strike, and in the meantime, each

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carried on with the representatives of the work people

who conducted the final agreement, and myself.

BY MR. MORRIS: Q. You are not waiting for Mr.

Laverie to come back, are you? A. No, I don't think

so.

THE COMMISSIONER: Another thing, and perhaps

this is the place to get it. I would like to be told

exactly what types of manufacturing are being done

here by this company.

BY MR. MORRIS: Q. Are you in a position --

you are the best man to tell us about that; now, just

tell us what it is you manufacture here? A. Rayon

(voice) rayon, rayon rayon.

Q. And nothing else? A. Nothing else.

BY MR. MORRIS: Q. Nothing else? A. No-

thing else.

Q. The only thing you are all producing?

BY MR. MORRIS: Q. The only thing (repeating) all

that you are doing is rayon?

Q. Is that the only thing you are doing?

A. Rayon rayon rayon.

BY MR. MORRIS: Q. You are not having any trouble

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Kenyon

yarn yourselves ? A. What is that.

5 Q. You do not do anything to the yarn yourselves ; you do not transform it, you do not throw or weave ? A. No, we simply put it on the perns, and bobbins and cones and we also despatch it in skein form.

Q. But you sell it as yarn ? A. Yes.

10 BY THE COMMISSIONER: Q. That is all you do? A. That is all we do.

Q. Manufacture and sell yarn? A. Yes.

BY MR. McRUE: Q. You manufacture it all from the pulp? A. From pulp,, yes.

15 Q. There are two or three statements of production that I want to file with you, Mr. Kenyon. This statement I show you had been taken from your records, was it ? A. I think Mr. Taylor ought to deal with this. This is sales.

20 Q. All right, I will put Mr. Taylor in for this. We will deal with that with Mr. Taylor. All right, I think that is all I want to ask.

25 BY MR. DIXON: I just had one question to ask; at the beginning of the examination you were asked whether -- or what your reasons were for not re-employing Mr. Lavery.

THE COMMISSIONER: Mr. --

30 MR. DIXON: Lavery. Might I suggest that the manner in which the men went on strike may have something to do with it. Perhaps you can enlarge on that.

1900

1900

your yourselves? A. That is that.

.. You do not do anything to the your your-

selves; you do not transform it, you do not throw

or weave? A. No, we simply put it on the paper,

and copying and comes and we also describe it in

sketch form.

.. But you sell it as you? A. Yes.

BY THE COMMISSIONER: Q. That is all you do?

A. That is all we do.

.. How do you and sell your? A. Yes

BY THE COMMISSIONER: Q. Your manufacture is all free

the only? A. From paper, yes.

.. There are two or three statements of pro-

duction that I want to file with you, Mr. Kenyon.

This statement I show you had been taken from your

records, was it? A. I think Mr. Taylor ought to

deal with this. This is sales.

.. All right, I will put Mr. Taylor in for

this. We will deal with that with Mr. Taylor.

All right, I think that is all I want to ask.

BY THE COMMISSIONER: I just had one question to ask;

at the beginning of the examination you were asked

whether -- on what your reasons were for not re-

turning any papers?

THE COMMISSIONER: Mr. --

.. Dixon: Lavery. What I suggest that the

man is with the man went on strike may have some-

thing to do with it.



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Kenyon

A. I think so; Mr. Lavery had definitely said --

Q. Will you tell the Commissioner the effect on your mill of the sudden strike? A. Well, the effect was that all the machinery was left running, that in the course of a week the chemicals in the pipes, the viscose would turn solid, the acid would crystalize.

THE COMMISSIONER: Didn't Mr. Johnson tell us all that.

MR. MORUER: Yes.

MR. DIXON: A certain amount of it, yes, my lord. A. And it would be a matter of months and a lot of engineering work to put the mill in order again the way they left it. To safeguard the plant I was forced to live inside the mill with my staff and we did everything we could to safeguard the machinery. We were for a period of a fortnight, until we got adequate police protection, we were besieged in the mill. We were not allowed to take food either in or out and generally speaking they did everything they possibly could --

BY THE COMMISSIONER: Q. You say you were besieged in the mill? A. Yes.

Q. Did they try to take the mill by storm from you? A. The mill fences were picketted the whole way around, and they were on private ground, not merely on the road or at the mill gates. There were pickets bivouacked in the fields behind the mill and everything possible was done to prevent any movement either in or out of the plant.

BY MR. DIXON: I take it as a result of the

Q. I think so; Mr. Javorty had definitely said --

A. Well, you said the Commission was the effect

on your bill of the sudden strikes? A. Well, the

effect was that all the machinery was left running,

that in the course of a week the chemicals in the pipe

the viscous would turn solid, the solid would crystallize

THE COMMISSIONER: Didn't Mr. Johnson tell us

all that.

MR. JOHNSON: Yes.

MR. CLARK: A certain amount of it, yes, my lord.

A. And it would be a matter of months and a lot of en-

gineering work to get the mill in order again the way

they left it. To safeguard the plant I was forced to

leave inside the mill with my gun and we did every-

thing we could to safeguard the machinery. We were

for a period of a fortnight, until we got adequate

police protection, we were besieged in the mill.

We were not allowed to take food either in or out

and generally speaking they did everything that you-

BY THE COMMISSIONER: Yes, say you were be-

A. Did they try to close the mill by storm from

your side? The mill tension was placed on the whole

ly on the road or at the mill gates. There were

thousands of men in the mill, and the mill was

the only way to get the mill to work again.

and the mill was in the way of the mill.



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Kenyon

strike you suffered physical damage to the plant?

A. Oh yes.

BY THE COMMISSIONER: Q. That is damage caused by them going on strike? A. Yes.

Q. Was there any active violence? A. Yes, quite a number of strikers were arrested by the police.

BY MR. DIXON: Q. What is lordship wants to know is was there active damage done to the plant by any individual striker? A. No, they police were able to protect the property,

Q. Can you give the Commissioner an idea of what the damage to the plant by reason of the sudden stoppage amounts to? A. No, I cannot say that. All I have is the cost of the strike.

Q. The direct cost of the strike? A. Well, the cost of pulp and chemicals used was \$15,070. the cost of new chemicals which had to be used to keep the machinery free was \$1,515. The yarn thrown away was \$15,380., and for maintenance during the strike and subsequent repairs \$12,021.

Q. That covers the direct out of pocket expenses, does it? A. Yes.

THE COMMISSIONER: How long did the strike last?

MR. DIXON: From the 11th of August until the 9th of September. That is right, isn't it Mr. Kenyon. A. The date of the final agreement is the 10th of September.

Q. The date of the final agreement is the 10th of September? A. From the 11th of August to the 10th of September.

10-10-41

strikes you suffered physical damage to the plant?

10-10-41

BY THE COMMISSIONER: Is it is damage caused

by them being on strike? A. Yes.

Q. Was there any active violence? A. Yes.

Q. Was a number of strikers who were arrested by the police

BY MR. BAKER: Q. What is the relationship between the

is was there active damage done to the plant by any

individual striker? A. No, they police were able

to protect the property.

Q. Can you give the Commission an idea of

what the damage to the plant by reason of the outdoor

strikes amounts to? A. No, I cannot say that.

Q. All I have is the cost of the strike.

Q. The strike cost the company \$1,070.

cost of pulp and chemicals used was \$13,070. The cost

of new chemicals which had to be used to keep the

machinery free was \$1,015. The yarn thrown away was

\$10,000, and for maintenance during the strike and

equipment repairs \$1,021.

Q. That is the direct cost of recent ex-

cesses, does it? A. Yes.

Q. Now long did the strike last?

MR. BAKER: From the 10th of August until the

end of September. That is right, isn't it Mr. Baker?

Q. The date of the final agreement is the 10th of

Q. The date of the final agreement is the 10th of

Q. From the 10th of August to the 10th of



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Kenyon

Q. So it was just under a month . That is all.

5

ARTHUR LAVERTY sworn

EXAMINED BY MR. McRUER: Q. Mr. Laverty, you were  
employed at Courtaulds at Cornwall? A. Yes.

10

Q. When did you enter their employ? A. Five  
and a half years ago.

Q. Five and a half years ago, /or six and a half  
I am not quite sure at the moment.

15

Q. In what capacity were you employed? A. In  
the spinning department.

Q. Were you always with the spinning department?  
A. Yes, always with the spinning department.

THE COMMISSIONER: He is a spinner.

20

BY MR. McRUER: Q. You are a spinner, are you?  
A. Although I was working in the spinning depart-  
ment I was working in the jet stall. I was not ac-  
tually a spinner, but it is part of the spinning de-  
partment.

25

Q. Working in a jet stall? A. Yes.  
Q. What sort of work is that? A. The viscose  
comes from the jet, the acid, and they constantly  
become dirty and have to be cleaned. That was my  
work, to clean them.

30

Q. Cleaning these jets? A. Yes.  
Q. And had you had steady work up until the time  
of the strike? A. Yes, with the exception we were

INTERVIEW

employed at Comstock at Comstock? A. Yes.

When did you enter their company? A. Five

and a half years ago.

Five and a half years ago. For six and a half

I am not quite sure at the moment.

4. In what capacity were you employed? A. In

the spinning department.

5. What kind of work did you do in the spinning department?

6. You, always with the spinning department.

THE COMMISSIONER: He is a spinner.

BY MR. MEHREZ: 8. You are a spinner, are you?

9. Although I was working in the spinning depart-

ment I was working in the mill. I was not a

spinner, but it is part of the spinning de-

partment.

10. Working in a lot still? A. Yes.

11. What sort of work is that? A. The yarns

comes from the jet, the word, they come from

because dirty and have to be cleaned. That was my

12. Cleaning those jets? A. Yes.

13. And you had other work to do in the mill?

14. Yes, with the spinning in the mill.



9935

Kenerty

rotating men there.

Q. You were rotating men? A. Yes, there was about nine to eleven men off per shift, nine to eleven men off each shift. There was a surplus.

Q. But you were never laid off as being inefficient, or incapable? A. No.

Q. Or anything of that sort? A. No.

Q. No trouble about your work at all up until the time of the strike? A. No, no trouble.

Q. Then, how did you become interested in organizing a union here? A. Well, I have been a trade unionist all my life.

Q. What did you belong to? A. Belonged to the Miners' Union, the Miners Federation of Great Britain. I belonged to the Steel Workers Union and the Iron and Steel and Kindred Trades Association. I also belonged to the Workers Union in England.

Q. Where was it you belonged to these unions? A. This was in Scotland and Ireland I belonged to those.

Q. You are a native of -- A. Ireland.

Q. When did you come to Canada? A. Seven years ago.

Q. Tell us about your activity in the organization of a union here? A. Here?

Q. Yes? A. Well, we organized this Rayon Workers Industrial Union. It was only for the rayon workers, although we intended to assist other trades when organizing themselves in their own unions.

Q. But was there any intention that it would be





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Kenyon

an organization of all the workers in Cornwall in one union? A. Never to my knowledge .

5 .. Your intention was you would organize the rayon workers Industrial Union and then assist in the organization of other industrial workers according to the class of employment they had? A. That was our intention.

Q. Go on and tell us about your activities?

10 A. Well, we organized and the first that the company knew about it was, as Mr. Kenyon stated, with these girls, was the trouble with the reeling room .

15 Q. What was the trouble there, tell us the whole story ? A. Well, this girl Mamie Lavigne, as far as I understand it, she was a girl that was used to working on thin cakes.

Q. Thin what? A. She worked on thin cakes .

20 .. Tell us about the cakes; we don't know anything about it. A. Well, a full cake would be according to the denier, and in this case it was five and a half hours' spinning made a full cake.

25 .. Yes. A. Supposing the thread broke, the silk broke in two hours. That would not be a full cake. It would be a thin cake. She had been engaged in reeling thin cakes and it appears when a girl reels thin cakes for some time she loses speed and efficiency and therefore she cannot -- she is not so efficient as the other girls who are constantly on full cakes. She had, it appears, been engaged on 30 thin cakes for some time and then she was put on full cakes and she could not operate the full amount of

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the organization of all the workers in the country

one union? A. Never to my knowledge.

.. Your intention was you would organize the

trayon workers Industrial Union and then assist in the

organization of the Industrial Union of Marine and Shipbuilding Workers of America

the class of employment they had? A. That was our

intention.

Go on and tell us about your activities?

A. Well, we organized and the first that the company

knew about it was, as Mr. Kenyon stated, with these

girls, was the trouble with the rolling room.

.. What was the trouble there, tell us the whole

story? A. Well, this girl named Lavigne, as far as

I understand it, she was a girl that was used to work

in on thin cakes.

.. Then what? A. She worked on thin cakes.

Tell us about the cakes; we don't know any-

thing about it. A. Well, a full cake would be ac-

cording to the dealer, and in this case it was

five and a half hours' spinning made a full cake.

.. Yes. A. Supposing the thread broke, the

spike broke in two hours. That would not be a full

cake. It would be a thin cake. She had been en-

gaged in rolling thin cakes for some time she loses speed

and efficiency and therefore she cannot -- she is

not so efficient as the other girls who are constantly

in full speed. She had, it appeared, been out and on

the line for some time and then she was put on full

speed and was working at full speed.



reels. The foreman put two additional reels onto her and she complained.

Q. Now, I want to be sure about that. Was there an addition made to her work at the time the complaint arose. She was not complaining about something that had been in existence for a long time?

A. No, there was an additional two reels put on.

Q. All right? A. And she could not operate those extra two reels. Apparently she made a complaint to her forelady, and no notice was taken of it.

Q. She was still being asked to operate these two reels? A. Yes, with the result that the girl switched off the extra two reels.

Q. Yes. A. And the foreman told her she was discharged or something of the kind because she took this action. Some of the other girls who were there took her part and left the reeling room with her and came looking for me.

Q. Now, at that time had you organized any union? A. Yes.

Q. You had got members in it? A. We had members but we did not come out in the open at that time.

Q. Were you a president? A. Yes.

Q. Why were you not out in the open? A. Because we were waiting to have a larger percentage. We had only then about 50 or 60 per cent. of the employees in the organization, but we were coming out in a day or two anyway.

Q. You were coming out; what do you mean?

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reels. The foreman put two additional reels onto her and she complained.

Q. Now, I want to be sure about that. Was there an addition made to her work at the time she complained there. She was not complaining about some-thing that had been in existence for a long time?

A. No, there was an additional two reels put on. All right? A. And she could not operate those extra two reels. Apparently she made a com-plaint to her foreman, and no notice was taken of it.

Q. She was still being asked to operate these two reels? A. Yes, with the result that the girl switched off the extra two reels.

Q. Yes. A. And the foreman told her she was discharged on account of the kind because she took this action. Some of the other girls who were there took her part and left the reeling room with her and came looking for me.

Q. Now, at that time had you organized any union? A. Yes.

Q. You had got members in it? A. We had members but we did not come out in the open at that time.

Q. Were you a president? A. Yes.

Q. Why were you not out in the open? A. Because we were waiting to have a larger percentage. We had only about 25 or 30 members at the time. In the organization, but we were coming out in a day or two anyway.



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Lavery

A. We were going to get in touch with the management in a few days in any case.

Q. You mean you were coming out in the open?

A. Yes.

Q. All right, go on and tell us the rest of the story then? A. We went to the manager's office, these four girls that were involved and myself, and the manager discharged those girls. However, he made an arrangement with me to meet a deputation of the union on the following Thursday, I think. I forget just the day. It was in a few days anyhow. That day, that same day, the girls in the reeling room stood at the gate at one o'clock and refused to go back to work in sympathy with these girls who had been discharged.

Q. Had you been, or had your union been instrumental in agitating the girls to take this action to stay out in sympathy with the girls who had been discharged? A. Well, I was still at work.

Q. So that you had not led in that? A. I had not led that.

Q. Because you had gone back to work? A. I was still working.

Q. Were the other officers of the union still at work? A. No, there were -- the girls had reported this to the union office and said they were staying out. They said they were staying out themselves. There was nothing else for the other officers of the union to do but to assist them.

Q. All right, go ahead? A. When these girls did not return to work at one o'clock, Mr. Kenyon sent





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Lavery

for me and I agreed to ask these girls to go back to work if the case of the four girls would be reviewed when we met with the negotiating committee. I agreed to that and I asked the girls to go in and they returned to work.

Q. Did they go back to work? A. Yes.

Q. What was the next development? A. Well, a deputation met Mr. Kenyon and he put forward a scheme of a works' council. He submitted this scheme to us to take back to our --

Q. Well, had any question of a union been discussed between you and Mr. Kenyon when he came forward with the scheme for a works' council? A. No, he said he understood we had a union here and he advised us to get the members to agree to this works' council, that it would be less expensive, and so he drew up the scheme and we agreed to take it back to our membership. We took it back to our membership and it was voted down unanimously.

Q. Now, Mr. Kenyon complains you did not communicate with him as a result of that vote, but communicated with the press; what about that? A. Well, there is no doubt the press got to know about it.

Q. How long was it afterwards, after the vote was taken, before it appeared in the press? A. I don't know, I expect the next day.

Q. Well, at any rate, what happened after the employees had turned this down? A. We did not communicate with Mr. Kenyon because we had not been recognized as a trade union, and I thought I had not the liberty to

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for me and I agreed to ask these fellows to go back to  
when we met with the negotiating committee. I agreed  
to that and I asked the girls to go in and they re-  
turned to work.

... and they go back to work. Yes.

a decision with Mr. Kanyon and he put forward a scheme  
of a works' council. He explained this scheme to us  
to make sure we were --

... well, but my question of a union been discussed  
between you and Mr. Kanyon when he came forward with  
the scheme for a works' council? ... he said he  
understood we had a union here and he advised us to get  
the workers to agree to this works' council, that it  
would be less expensive, and so he drew up the scheme  
and we agreed to take it back to our membership. He  
took it back to our membership and it was voted down.

... well, Mr. Kanyon said you did not commu-  
nicate with him as a result of that vote, but communi-  
cated with the press; what about that? A. Well, there  
is no doubt that we got no more out of it.

... how long was it discussed, after the vote was  
taken, before it appeared in the press? A. I don't  
know, I cannot tell the next day.

... well, and we will have to wait until the  
... and we will have to wait until the  
... and we will have to wait until the



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walk through the departments and through into Mr. Kenyon's office and report this matter to him. I thought I would just wait until Mr. Kenyon got in touch with me. At this time there was no organization and a man had not the liberty to walk through and see the manager at any time.

. Well, what happened then ? A. Mr. Kenyon -- the next thing that happened, there was a notice posted throughout the mill stating that the company's position with regard to the union was one of strict neutrality.

Q. One of what ?

BY THE COMMISSIONER: Q. Strict what? A. Neutrality.

Page 9945 follows

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favorably

walk through the departments and through into Mr. Kenyon's office and report this matter to him. I thought I would just wait until Mr. Kenyon got in touch with me. At this time there was no organization and a man had not the liberty to walk through and see the man near at any time.

Well, what happened then? A. Mr. Kenyon -- the next thing that happened, there was a notice posted throughout the mill stating that the company's position with regard to the union was one of strict neutrality.

One of what?

BY THE COMMISSIONER: Q. Strictly what? A. Non-trustfully.

Have you followed

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Q. Adopting a good European term? A. That was the term that was used, I am just using it exactly.

Q. All right, go ahead? A. Following this, whether the heads of the Department had been instructed or not they come around the Spinning Department.

Q. Who did? A. The supers of the Spinning Department.

Q. You mean the supervisors? A. Yes, they came around and instructed the men that they were to stay on their machines and if they were caught talking to one another they would be discharged.

Q. Did you hear any of the supervisors say this? A. Yes, one of the supervisors told me.

Q. Who was that supervisor? A. Niles, was his name.

Q. What was it he told you? A. In addition to what I did I was also a first-aid man and there was one man came up with a cut finger and he asked me to attend to it and Mr. Niles followed and he said, "If this man is coming up to discuss trades union with you I will put both of your to the gate." I informed him then that I was fixing up his finger and the spinners complained - I have heard from the spinners - that they were told they had not to leave their machines and if caught talking to one another they would be discharged and any trade union talk at all they would be discharged for this. Now, on the next day the spinners met together that night and

Adopting a good European term? A. That was the term that was used, I am just using it exactly.

All right, no shades? A. Following this, whether the heads of the department had been instructed or not they come around the spinning department.

Who did? A. The super of the spinning.

How many the supervisors? A. Yes, they were around and instructed the men that they were to stay on their machines and if they were caught talking to one another they would be punished.

Did you hear any of the supervisors say this? A. Yes, one of the supervisors told me.

Who was that supervisor? A. Miller, was his name.

What was it he told you? A. In addition to what I did I was also a first-class man and there was one man came up with a cut finger and he asked me to extend to it and Mr. Miller followed and he said, "If this man is coming up to discuss trades union with you I will cut both of your legs to the bone." I told him that I was taking up his finger and the supervisors complained - I have never seen the supervisors - that they were told they had not to leave their machines and if caught talking to one another they would be discharged and any trades union talk at all they would be discharged for sure.

Now, on the next day the supervisors met to that night and



they come to the conclusion that they would not be intimidated in this fashion.

Q. Was that discussed at a meeting of the spinners?

A. At a shift meeting.

5 Q. There was that meeting held? A. Held in the hall at Brennands Corners.

Q. And that was one of the matters that was discussed at the meeting that they had been threatened with dismissal if they discussed trade union matters?

10 A. Yes.

Q. Go on? A. On the next day Mr. Kenyon asked me to his office and he informed me that he would have no dealings at all with the trades union.

15 He said if I go back and the membership conducted themselves properly, in two weeks' time that he would open up conversations with me but until we proved that we could be a properly disciplined body that he would have no more talk with the trades union.

20 Q. What breaches of discipline did he complain about to you? A. Nothing in particular, just general breach of discipline. I don't know his reasons for saying that. He simply made that statement.

25 Q. Go on and tell us? A. When I took this message back to the men they stated that they understood that Mr. Kenyon was recognizing a trade union. There was one part, if I could retract, was the time that Mr. Kenyon put forward the proposal for a works council.

30 I asked him the question if in the event of this works

they come to the conclusion that they would not be

intimidated in this fashion.

Q. Was that discussed at a meeting of the spinners?

A. At a shift meeting.

Q. There was that meeting held?

A. Held in

the hall at Brannan's Corner.

Q. And that was one of the matters that was discussed

at the meeting, that they had been threatened with

dismissal if they discussed trade union matters?

A. Yes.

Q. Go on? A. On the next day Mr. Kenyon

asked me to his office and he informed me that he

would have no dealings at all with the trades union.

He said if I go back and the membership conducted

themselves properly, in no weeks' time that he would

open up conversations with me but until we proved

that we could be a properly disciplined body that he

would have no more talk with the trades union.

Q. What prospect of discipline did he complain about

to you? A. Nothing in particular, just general

breach of discipline. I don't know his reasons

for saying that. He simply made that statement.

Q. Go on and tell us? A. When I took this

message back to the men they stated that they understood

that Mr. Kenyon was recognizing a trade union. There

was one part, if I could retract, was the time that

Mr. Kenyon was saying that the union was a

I asked him the question if in the event of this



council being turned down would he recognize union  
and he said, "Oh yes, I would have to." He explained  
that by saying that the union was local at this time.  
So this day when Mr. Kenyon had informed me that he  
5 would have nothing to do with the Trades union or  
nothing to do with the workers' representatives either  
until we conducted ourselves properly, the men took  
it that he had broken faith, that he had said that he  
would recognize a trades union verbally, he had made  
10 that statement and now he was not going to recognize  
us, not even talk to us for two weeks, plus ---

THE COMMISSIONER: For two weeks - where did the two  
weeks come in?

15 MR. McRUER: Q. Did he explain why the two weeks  
delay? A. Yes, he explained that we would have  
to go back and conduct ourselves properly for two weeks  
before he would have any more conversations with us.

20 Q. Put you on probation for two weeks? A. Yes.

Q. That is what he told you? A. Yes.

Q. He has told us this morning that Mr. Johnson  
was coming out in two weeks? A. No, that had  
nothing to do with this question.

25 MR. DIXON: No, the strike was not started at this  
time.

MR. McRUER: That is something that happened later.

Q. Go on. A. I reported this to the Spinners

30 and they said that they were stopping work unless he  
would recognize them now. I got in touch with

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council being turned down would be recognize union  
and he said, "Oh yes, I would have to." He explained  
that by saying that the union was local at this time.  
On this day when Mr. Kenyon had informed me that he  
would have nothing to do with the T. R. Union  
nothing to do with the workers' representatives either  
until we conducted ourselves properly, the men took  
it that he had broken faith, that he had said that he  
would recognize a trades union verbally, he had made  
that statement and now he was not going to recognize  
us, not even talk to us for two weeks, plus ---

THE COMMISSIONER: For two weeks - where did the two

weeks come in?

MR. McNEIL: Did he explain why the two weeks

Yes, he explained that we would have

to go back and conduct ourselves properly for two weeks  
before he would have any more conversations with us.

Q. Put you on probation for two weeks? A. Yes.

Q. That is what he told you? A. Yes.

Q. He has told us this morning that Mr. Johnson

was coming out in two weeks? A. No, that had

nothing to do with this question.

MR. DIXON: No, the strike was not started at this

MR. McNEIL: That is something that happened later.

Q. Go on. A. I reported this to the Splinters

and they said that they were stopping work unless he

could recognize them now. I got in touch with



Mr. Kenyon through the foreman and told him the  
spinners were going to walk out unless we could make  
some arrangement with them. In a short time Mr.  
Kenyon came to the mill and he and I got in conver-  
sation and he reduced the two weeks' probation period  
I think to two days, and that was all that I could get  
out of him and by that time the men were coming out,  
the men were leaving the work shop and coming out.

Q. Then what happened after that? A. Nothing  
happened really. There was no negotiations opened  
up until Mr. Fine came and even then negotiations  
did not open up. We made arrangements with Mr. Fine  
to allow two shipments of silk per day and safety  
men and office staff and then negotiations opened up.  
Now, Mr. Fine at the last moment said that the two  
trucks - he meant two trucks and two trailers.

Then on top of that he wanted some additional safety  
men - after agreeing to a certain number he wanted  
additional ones. The result was that negotiations  
did not open up. Then followed Mr. Marsh and we  
agreed ---

THE COMMISSIONER: Who is Mr. Marsh?

MR. McRUER: He is Deputy Minister of Labour.

THE WITNESS: We agreed with Mr. Marsh to allow  
shipments of silk each day and that the amount of silk  
shipped would be arranged between the negotiating  
committee and Mr. Kenyon and Mr. Jones each day.

Q. Just there - I can follow you quite all right

[illegible]



up to that point - but what right had your Committee to interfere with the shipments of silk from the mill - that is, prevent by physical violence any shipments?

A. We never prevented it by physical violence.

5 The only thing ever we did was to picket the trucks peacefully, but there was such a crowd at the gates, spectators generally, that even the trucks did not come there.

10 Q. Then the interference - if any interference took place - it was not interference that was authorized by the union committee but rather the crowd getting out of hand - is that what you say? A. The trucks

15 did not come there at all. They were not refused admission, they did not come there until we made agreement with the Company to allow them to pass in and as soon as the trucks appeared they went in and filled their trucks and passed out.

20 Q. Do you say you were not attempting as a union to interfere with the delivery of goods by violence?

A. Not by violence, we never at any time.

25 Q. Or in any way by restraint, by putting physical restraint on truck drivers or any others seeking to take away goods from the mill? A. What we

30 did we considered peaceful picketing. We did speak to the truck drivers. That was all that was authorized by the Union, but the crowd of spectators around the gates possibly had some restraint on the truck driver.

up to that point - but what right had your Committee to interfere with the shipments of silk from the mill - that is, prevent by physical violence any shipments. 2. We never prevented it by physical violence. The only thing ever we did was to picket the trucks peacefully, but there was such a crowd at the gates, spectators generally, that even the trucks did not

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5. Or in any way by restraint, by putting physical restraint on truck drivers or any others seeking to do the truck drivers. That was all that was

authorized by the union, but the crowd of spectators



Q. Well then, go on and tell us the rest of your story of the negotiations? A. Well, Mr. Marsh succeeded in bringing the parties together, the negotiating committee and the company's officials and we agreed that the safety men would be allowed in, office staff and shipments of silk to be agreed upon each day, the amount to be agreed on.

Q. This was all before Mr. Johnson got here?

A. Yes, sir. We ---

Q. Now, up to this time you had not organized as a Local of the United Textile Workers of America?

A. Just about that time we had our Charter through.

Q. Had you had an application in for a Charter prior to the strike being called? A. Yes.

Q. So that your objective had changed apparently from organizing as the Rayon Workers of Cornwall to a Local of the United Textile Workers of America, or did you always have that? A. It was always our intention, only we had to organize a local first.

Q. Your intention was as soon as you got them organized locally you would apply for a Charter as a local of the United Textile Workers of America?

A. That is right.

Q. Then go ahead? A. Mr. Marsh succeeded in opening up negotiations and we made some headway there. Mr. Kenyon explained that he could not discuss the question of trade union recognition or wages and we

Q. Well then, so on and so forth as the rest of your story of the negotiations? A. Well, Mr. Marshall succeeded in bringing the parties together, the negotiating committee and the company's officials and we agreed that the safety men would be allowed in office staff and equipment of silk to be spread upon each day, the amount to be agreed on.

A. This was all before Mr. Johnson got here?

Q. Now, up to this time you had not organized as a local of the United Textile Workers of America? A. That about that time we had our Charter through.

Q. Had you had an application in for a Charter prior to the strike being called? A. Yes.

Q. So that your objective had changed apparently from organizing as the Union Workers of Cornwall to a local of the United Textile Workers of America, or did you always have that? A. It was always our intention, only we had to organize a local first.

Q. Your intention was as soon as you got them organized locally you would apply for a Charter as a local of the United Textile Workers of America? A. That is right.

Mr. Johnson explained that he would not discuss the



agreed to settle the minor points and commenced to do that in the basement.

Q. Had you been told then about Mr. Johnston coming out? A. Yes, sir.

Q. And that it would be about two weeks before--and Mr. Kenyon has told us that in the meantime you negotiated about the minor points? A.

Yes. Next day we asked Mr. Kenyon to wire Mr. Johnston about the recognition of trade union.

This I understand he did. But Mr. Johnston said that he would not recognize a trade union, the result was that negotiations were suspended.

Q. Until he got here? A. Until he got here, yes.

Q. I notice according to Exhibit 730 the first negotiations with Mr. Johnston commenced on August 26th? A. Yes, sir.

Q. And Mr. Johnston's statement is this:

"As far as the United Textile Workers are concerned I am not at all sure yet that I am going to be interested in any Union at all or have any Union interested in us. I had had to my disgust a form of agreement handed to me here and I have started out by telling you that your colleagues, the United Textile Workers, would not sanction such a thing as that. I have been mixed up with them and know them pretty well. As far as I am concerned this afternoon

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that in the basement.

Q. Had you been told then about Mr. Johnston?

A. Yes, sir.

Q. And that it would be about two weeks

before--and Mr. Kenyon has told us that in the mean-

time you negotiated about the minor points?

A. Yes. Next day we asked Mr. Kenyon to wire Mr.

Johnston about the recognition of trade union.

Q. This I understand he did. But Mr. Johnston said

that he would not recognize a trade union, the result

of the negotiations with Mr. Johnston.

Q. Well, sir, what was the result of that?

A. None, yes.

Q. I notice according to Exhibit V80 the first

negotiation with Mr. Johnston commenced on August

22nd? A. Yes, sir.

Q. And Mr. Johnston's statement is this:

"As far as the United Textile Workers are

"concerned I am not at all sure yet that I am

"going to be interested in any Union at all or

"have any Union interested in us. I had had

"to my disgust a form of agreement handed to me

"there and I have started out by telling you that

"your colleagues, the United Textile Workers,

"would not sanction such a thing as that. I

"have been mixed up with them and know them pretty

"well. As far as I am concerned this afternoon



"I will first of all ask you a few questions.

"The control you want to bear on us with

"regard to, first of all, the number of men

"which should be employed on each shift,

"whether spinning, bleaching; it might easily be

that in six months from now we should have

"to switch the size of yarn and could not find

"use for half of these men but we should have to

"pay them and nobody but a fool would agree

"to that."

You had put forward in this first agreement a number  
of proposals that apparently were subsequently dropped  
in the negotiations afterwards? A. Yes.

Q. You were prepared on behalf of the men or your  
Committee to abandon the proposals that Mr. Johnson  
was dealing with then as being objectionable?

A. Yes, sir.

Q. And as Mr. Kenyon says you arrived at an agree-  
ment on practically everything except the recognition  
of the union? A. Yes.

Q. You agree with that? A. That is right.

Q. Well then, about the very next meeting, which  
is on August 28th, Mr. Johnson says at page 12:

"Well, now, we are going to talk on this first.

If you insist on the Union, there is no need to

carry on the meeting any further, That is all.

If you care to let that be for the time being,

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"I will first of all ask you a few questions.  
"The control you want to bear on us with  
"regard to, first of all, the number of men  
"which should be employed on each shift,  
"whether spinning, bleaching; it might easily  
that in six months from now we should have  
"to switch the size of yarn and could not find  
"use for half of these men but we should have  
"pay them and nobody but a fool would agree  
"to that."  
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was dealing with then as being objectionable?  
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A. Yes.  
Q. You agree with that?  
A. That is right.  
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is on August 28th, Mr. Johnson says at page 12:  
"Well, now, we are going to talk on this first.  
If you insist on the Union, there is no need to  
carry on the meeting any further, that is all.  
If you care to let that be for the time being,

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all right, and we can go on with some of these other matters.

MR. LAVERTY - But the question will arise some time or other?

MR. JOHNSON: Undoubtedly, but it is not going to arise with me this morning."

You remember that interview? A. Yes, I remember.

Q. Well now, then we have the agreement that was ultimately framed and they refused to recognize the Union? A. Yes.

Q. And did you make any effort to get back to work?

A. No, I did not make any application. The men were called back by the Company.

Q. They were sent for? A. Yes, sir.

Q. You have never been sent for? A. I have never been sent for.

Q. Were there other men that were active with you in the organization of the Union? A. Yes, there is only one officer of the Union returned to work.

Q. How many officers of the Union are there who have not been returned to work? A. Blair was mentioned. Blair was not an officer of the Union until last week.

Q. Until last week? A. Yes, sir.

Q. You are still working on the organization of the Union? A. Yes. The Secretary was taken back, Financial Secretary was taken back and that is all the others. The Recording Secretary is still out

all right, and we can go on with some of these

or others?

MR. JOHNSON: Undoubtedly, but it is not going to

arise with me this morning."

You remember that interview?

A. Yes, I remember that was

ultimately framed and they refused to recognize the

Union?

A. And did you make any effort to get back to work?

A. No, I did not make any application. The men

were called back by the Company.

A. They were sent for?

A. You have never been sent for?

been sent for.

A. Were there other men that were active with you

in the organization of the Union?

A. Yes, there is only one officer of the Union returned to work.

A. How many officers of the Union are there who

have not been returned to work?

A. Blair was not an officer of the Union

until last year.

A. You are still working on the organization of the

Union?

A. Yes. The last party was taken back, and that is all

the others. The recording secretary is still out



and the Vice-President that we had during the strike is still out, and myself.

5 Q. Well now, have any of these men applied to get back that you know of and been refused or are they waiting for a call? A. No, they have not made application - waiting for a call the same as the others. There are about 60 people out.

Q. About 60 people - are they members of the Union?

10 A. Yes, sir.

Q. About 60 people still out, all members of the Union? A. Yes. That is, men and girls.

15 Q. Now, there was some complaint about some working conditions latterly. The first I want to ask you about is the affect of the fumes on the eye-sight. What was that condition that was complained about?

A. Fumes, particularly in the heavy weather, affecting men's eyes.

20 Q. Men and women? A. No, it is only in the Spinning Department that this took place.

Q. They just have men in the Spinning Department?

A. Yes, sir.

25 Q. Tell me all about it? A. I don't know that I could tell you all about it. I could tell you something about it. It has a very painful affect, has acid fumes. I have had it very many times myself, like your eyes being filled with sand. Impossible to  
30 work when they become real bad, and prior to the strike a man could not leave the Department and his eyes

and the Vice-President that we had during the service  
is still out, and myself.

.. Well now, have any of these men applied to get  
back that you know of and been refused or are they  
waiting for a call? A. No, they have not been

application - waiting for a call the same as the others.  
There are about 60 people out.

Q. About 60 people - are they members of the Union?  
A. Yes, sir.

.. About 60 people still out, all members of the  
Union.

.. Now, there was some complaint about some working  
conditions lately. The first I want to ask you  
about is the effect of the fumes on the eye-sight.

That was that complaint that was complained about?  
A. Yes, particularly in the heavy weather, affecting  
men's eyes.

Q. Men and women?  
A. No, it is only in the  
Spinning Department that this took place.

.. They just have men in the Spinning Department?  
A. Yes, sir.

.. Well are all recent it? A. I don't know what I  
could tell you all about it. I could tell you something

about it. It has a very painful effect, has said  
times. I have not it very many times myself.

line your eyes being filled with sand. Impossible to

and was very painful and it was not to be

and could not leave the department and his eyes



became constantly worse. Then he often got in trouble if he stayed away the next day. With this new Agreement since the strike if a man takes sore eyes he is sent home and he is paid for the remaining part of the shift.

Q. Now, was that something that had been asked for and refused before? A. It was never asked for. We never had any form of organization or no form of redress at all.

Q. Yes, but the trouble had been there? A. Yes, the trouble always was there.

Q. The men had been suffering from this affection of the eyes? A. Yes, the trouble has always been there in the silk mill and is still there.

Q. Has any suffered any permanent injury that you know about? A. Yes, we have one man in the court here to-day that states his eyes were quite normal when he went into work at Courtaulds and that now he is nearly totally blind.

Q. Well, we will hear him. Now, there is another statement made to Mr. Johnson about an acide rash. Can you tell us about that? A. Yes. It is like an excema, with being in constant touch with the acid water.

Q. What kind of acid is it that is used there? A. It is sulphuric acid. It is a weak mixture.

Q. A dilution of sulphuric acid? A. Yes, sir.

Q. And what effect has that had? A. Well,

became constantly worse. Then he often got in trouble  
it he stayed away the next day. With this new  
agreement since the strike if a man takes some eyes  
he is sent home and he is paid for the remaining part  
of the shift.

Q. Now, was that something that had been asked for  
and refused before? A. It was never asked for.  
He never had any form of organization or no form of  
negotiation at all.

Q. Yes, but the trouble had been there?  
A. Yes, the trouble always was there.  
Q. The men had been suffering from this affliction

of the eyes? A. Yes, the trouble has since been  
there in the mill and is still there.

Q. Has any suffered any permanent injury that you  
know about? A. Yes, we have one man in the  
court now to-day that states his eyes were quite  
normal when he went into work at Comptons and that  
now he is nearly totally blind.

Q. Now, we will hear him. Now, there is another  
statement made to Mr. Johnson about an eye man.  
Q. Can you tell us about that? A. Yes. It is  
like an excruciating, with being in constant touch with the  
solid matter.

Q. What kind of solid is it that is used there?  
A. It is sulphuric acid. It is a weak mixture.

Q. And what effect has that had?  
A. Well,



5 it starts as a sort of eczema, starts on the fingers and travels up the arm. It takes quite awhile, men have had it for years, because they have constantly come in touch with the acide again and it is never got better.

Q. Can you give us the name of any man that has suffered from this rash? A. Yes, I have it myself.

10 Q. Does it come back again? A. No, it is all-right since I left work. It was almost better before then because I was put on the jet stall and I did not come in contact with the acid.

15 Q. Is it painful? A. It itches.

Q. Do you have any medical services there? A. Yes.

Q. Is there a doctor? A. No, there is a nurse.

Q. There is a nurse in the mill? A. Yes, sir.

20 Q. But is there a doctor who looks after cases of that sort, for instance? A. Yes, I understand that Mr. Mack is the Company's doctor who will look after any severe cases.

25 Q. Does he look after them free? A. That is an arrangement between the company and the doctor, I don't know.

Q. As far as the employee is concerned? A. Yes, if the Company send employee to the Doctor he looks after them free.

30 Q. As long as you were there did this Company have any compensation scheme other than the Workmen's

it starts as a sort of exema, starts on the fingers  
and travels up the arm. It takes quite awhile,  
man have had it for years, because they have constantly  
come in touch with the side again and it is never  
got better.

5

Q. Can you give us the name of any man that has  
suffered from this rash?  
A. Yes, I have it myself.

10

Q. Does it come back again?  
A. No, it is all right since I left work. It was almost better before  
then because I was put on the jet still and I did not  
come in contact with the side.

15

Q. Do you have any medical services there?  
A. Yes.  
Q. Is there a doctor?  
A. No, there is a nurse.  
Q. There is a nurse in the mill?  
A. Yes, sir.

20

Q. But is there a doctor who looks after cases  
of that sort, for instance?  
A. Yes, I understand that Mr. Mack is the Company's doctor who will  
look after any severe cases.

25

Q. Does he look after them free?  
A. That is an arrangement between the company and the doctor,  
I don't know.

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Q. As far as the employee is concerned?  
A. Yes, if the Company send employee to the doctor he looks  
after them free.

Q. As long as you were there did this Company have  
any compensation scheme other than the Workmen's



Compensation in the way of scheme for illness or medical attention or anything like that? A. No, no scheme so far as I know.

Q. No pension fund? A. No, sir, outside of the Workmen's Compensation.

THE COMMISSIONER: Does the Workmen's Compensation Act of Ontario provide for industrial diseases as well as accidents?

MR. McRUER: If they arise out of the employment. It has to be shown that they arise out of the employment.

THE WITNESS: Of course, the Company denies that their acid is an industrial disease. They say a person must have eczema or something of the kind before he comes in there.

Q. Now, how general is that rash? You say you have had it? A. Yes.

Q. There are men who work in the spinning department do they all get it sooner or later or are some men more susceptible than others? A. Yes. There are men who have worked there years who have never had it. There would only be about one in two hundred, and ---

Q. About one in two hundred that would take it? A. Yes.

Q. Now, is there anything else you want to add that you think should be brought to the attention of the Commission in connection either with working conditions there or conditions of labour in any way, matters affecting employees? A. Well, I have not worked

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Compensation in the way of scheme for illness or

medical attention or anything like that? A. No, no

scheme so far as I know.

Q. No pension fund? A. No, sir, outside of the

THE COMMISSIONER: Does the workmen's Compensation

Act of Ontario provide for industrial diseases as well

as accidents?

MR. MOHRER: It they arise out of the employment.

It is to be shown that they arise out of the employee

THE WITNESS: Of course, the Company denies that

their acid is an industrial disease. They say a person

must have exposure or something of the kind before he

comes in there.

Q. Now, how general is that work? You say you

have had it? A. Yes.

Q. There are men who work in the spinning department

do they all get it sooner or later or are some men

more susceptible than others? A. Yes. There are

men who have worked there years who have never had it.

There would only be about one in two hundred, and ---

Q. About one in two hundred that would take it?

A. Yes.

Q. Now, is there anything else you want to add that

you think should be brought to the attention of the

Commission in connection either with working conditions

there or conditions of labour in any way, matters



there since the strike was settled and I don't know what the conditions are there but I understand that they are greatly improved. I don't know the extent of the improvement and therefore I would not like to complain about the conditions now.

Q. Now, you would be able to tell me this, probably - just as to the extent that the conditions of the employees were improved due to the new agreement that was entered into. We can read these agreements but you just tell us now what the employees gained as a result of the action that was taken? A. In the Spinning Department, for example, there was no limit to the amount of work a man did before the strike. He could be worked whole seven and a half hours out of eight, and he was allowed half an hour for lunch period.

Q. And was he paid by the hour? A. Yes, paid by the hour.

Q. And there was no limitation on the amount of work that he could be required to do? A. No, there was no limit.

Q. How was he kept up to it? A. They found it hard many times. They had long stretches of work without any breaks and the men found it very difficult in many cases.

Q. What change was made in respect to that?

A. There is a limit now of only 500 spindles per man per eight-hour shift and they have got 40 minutes lunch period I understand and have <sup>half</sup> an hour to look after their

there since the strike was settled and I don't know

they are greatly improved. I don't know the extent

of the improvement and therefore I would not like to

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Now, you would be able to tell me this, probably -

just as to the extent that the conditions of the employ-

were improved due to the new agreement that was entered

into. We can read these agreements but you just tell

us how much the employees gained as a result of the

action that was taken? A. In the spinning

department, for example, there was no limit to the

amount of work a man did before the strike. He could

be worked twelve hours and a half hours out of eight,

and he was allowed half an hour for lunch period.

Q. Was he paid by the hour? A. Yes, paid by

the hour. And there was no limitation on the amount of work

that he could be required to do? A. No, there

was no limit.

Q. How was he kept up to it? A. They found it

hard many times. They had long stretches of work

almost any one and the men found it very difficult

to keep going and were in danger of being

Q. There is a limit now to the amount of work

that a man can do? A. Yes, there is a limit now

Q. How many hours a week? A. I don't know, but I



personal comforts.

Q. So that in the eight hours - hours of labour are eight hours - that is standard? A. Yes, sir.

Q. Out of the eight hours allowed 40 minutes for lunch and half hour breaks per for personal comfort?

A. Yes, and if he does 500 spindles then he is asked to do no more further work.

Q. If he gets through with the 500 spindles at 4 o'clock he can go home? A. He does not need

to go on the machine, he may be asked to sweep up.

He does not go home until the eight hours are completed.

THE COMMISSIONER: Q. Is he paid by the piece?

A. No, paid by the hour.

Q. Is he paid for the 40 minutes and half hour?

A. Yes, sir.

MR. McRUER: Q. Go ahead and tell us the other things that were gained? A. Prior to the

agreement or to the strike, the reelers were working -

I am not quite familiar with this system, it is a

unit of work, they had to do on an average 12 to 14

boards, for the sake of round figures, and some of

them 15, and they were reduced one board per hour.

That means a vast difference, it means the difference between high pressure and working at a comfortable rate.

Then in order to get the maximum rate of wages they

formerly had to make 20 boards over their specified

amount.

formerly had to make to make their position

Then in order to get the maximum rate of sales they

between high pressure and working at a comfortable rate

The means a vast difference, it means the difference

them 15, and they were reduced one hour per hour.

behave, for the sake of round figures, and some of

unit of work, they had to do on an average 12 to 14

I am not quite familiar with this system, it is a

agreement or to the strike, the workers were working -

things that were gained? A. Prior to the

MR. ROBERT: A. Go ahead and tell us the other

A. Yes, sir.

A. Is he paid for the 45 minutes and half hour?

A. No, paid by the hour.

THE CHAIRMAN: A. Is he paid by the piece?

completed.

He does not go home until the eight hours are

to go on the machine, he may be asked to sweep up.

A. No, he does not sweep up. A. No, he does not sweep

A. If he gets through with the 500 spindles at

to do no more further work.

A. Yes, and if he does 500 spindles then he is asked

lunch and half hour breaks for personal comfort?

A. Out of the eight hours allowed 45 minutes for

are eight hours - that is standard? A. Yes, sir.

A. No that is the eight hours - hours of labor



Q. There were two different grades of wages were there - I mean, normal rate and the other maximum rate or what do you mean in order to get the maximum rate?

5 A. Let us assume there were 14 boards per hour prior to the break. A girl had to make 14 boards per hour plus 20 extra per week in order to qualify for the maximum amount of wage. Now, since the strike, she has only to make 13 boards an hour plus five extra boards per week in order to qualify for the computed rate.

10 Q. Anything else - there was an increase in pay?

A. There was an increase in wages of 2 cents for all adult males.

15 THE COMMISSIONER: Q. Per hour? A. Yes, per hour, and there was ---

Q. One cent increase for females and boys under 18?

20 A. One cent per hour and in one department 4 cents, processing. Formerly the maximum was 24 cents and now it is 28 cents and then we had oilers in No. 1 and 2, who had only 40 cents an hour and they were brought up to 45 cents in line with No. 3 oilers.

25 Q. They had been working on shifts - do they work three shifts a day? A. Yes, sir.

Q. And if they are short they shorten the number of employees in these shifts to still keep on the three shifts a day? A. Yes.

30 Q. Now, is there anything else I have not covered?

A. Nothing that I can think of at a moment.

Q. There were two different grades of wages were there - I mean, normal rate and the other maximum rate or what do you mean in order to get the maximum rate?

A. A girl had to make per hour prior to the break. 14 hours per hour plus 20 extra per week in order to qualify for the maximum amount of wages. Now, since the strike, she has only to make 18 hours an hour plus five extra hours per week in order to qualify for the maximum rate.

Q. Anything else - there was an increase in pay?

A. There was an increase in wages of 2 cents after all adult women.

Q. For how long?

A. Yes, per hour, and there was --

Q. One cent increase for females and boys under 18?

A. One cent per hour and in one department 4 cents.

Q. Formerly the maximum was 24 cents and now it is 28 cents and then as had others in No. 1 and 2, who had only 40 cents an hour and they were brought up to 45 cents in line with No. 3 others.

Q. They had been working on shifts - do they work on shifts?

A. And if they are short they shorten the number of employees in these shifts to still keep on the three shifts a day.

Q. Now, is there anything else I have not covered?

A. Nothing that I can think of at a moment.

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BY MR. DIXON:

Q. When did you first start to organize this Union?

A. In Courtaulds?

Q. Yes? A. I can scarcely remember.

Q. No, but generally speaking? A. About six and a half years ago.

Q. You have been working along on it all that time?

A. Yes, sir.

Q. Well now, at the beginning of August or in July of this year how many members had you in the Union?

A. At the beginning of August?

Q. Well, say July, beginning of July - put it that way? A. Oh, in the beginning of July -

we only commenced in July to organize.

Q. Wait. Your answer to my first question was that you had been working on this Union for six years?

A. No, I think---

Q. Working in Courtaulds - you had been there about five and a half years. My first question was how long had you been at work organizing this Union?

A. Since the last week in June or the beginning of July.

Q. That you started? A. Yes.

Q. Take the first of August, how many members had you then approximately? A. We had about 50%, I

imagine.

Q. Put it in numbers, never mind percentage?

EXHIBIT - 11

BY MR. DIXON:

Q. When did you first start to organize this Union?

A. In 1904.

Q. Yes? A. I can scarcely remember.

Q. No, but generally speaking? A. About six and

a half years ago.

Q. You have been working along on it all that time?

A. Yes, sir.

Q. Well now, at the beginning of August or in July

of this year how many members had you in the Union?

A. At the beginning of August?

Q. Well, say July, beginning of July - but it that

way? A. Oh, in the beginning of July -

we only commenced in July to organize.

Q. Well, your answer to my first question was

that you had been working on this Union for six years?

A. No, I think--

Q. Working in 1904 - you had been there about

five and a half years. My first question was how

long had you been at work organizing this Union?

A. Since the first week in June or the beginning of

July.

Q. That you started? A. Yes.

Q. Take the first of August, how many members had you

then approximately? A. We had about 300, I

but it in numbers, never mind percentages?

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A. We had about 700 or 800 members.

Q. Now, what constituted a man a member of this Union?

A. What constituted?

Q. What put him in good standing as a member of your Union?  
A. By paying his initiation fees.

Q. Do I understand you had 800 paid members at the first of August?  
A. Around that.

Q. You are satisfied on that point?  
A. Yes, sir.

Q. Now, to what figure had that grown by the 11th of August, the date of the strike?  
A. Oh, about 1,050 or 1100 members and the first week of the strike it grew to 1400 members.

Q. And all of the members had paid in their annual dues, if that is what you call them?  
A. Their monthly dues.

Q. Their monthly dues?  
A. Yes, sir.

Q. Now then, you say that some time just before the strike your membership was only 50 or 60 per cent. - what is that percentage taken on?  
A. Of the total workers, employees.

Q. Now then, just to go one step further. You, in your examination in chief said that a supervisor had told you of what you called the intimidation of the spinners?  
A. Yes, sir.

Q. Now, would you tell me just again what that intimidation amounted to?  
Tell me the same thing as you told us before?  
A. That the supervisor instructed the spinners to stay on their machines.

A. We had about 700 or 800 members.

Q. Now, what constituted a man a member of this Union?

A. What constituted?

Q. What put him in good standing as a member of your Union?

A. By paying his initiation fees.

Q. So I understand you had 300 paid members at the

Q. You are satisfied on that point? A. Yes, sir.

Q. Now, to what figure had that grown by the 11th

of August, the date of the strike? A. Oh, about

1,000 or 1,100 members and the first week of the strike

it grew to 1400 members.

Q. And all of the members had paid in their annual

dues, is that is what you tell them? A. Their

monthly dues.

Q. Their monthly dues? A. Yes, sir.

Q. Now then, you say that some time just before the

strike your membership was only 50 or 60 per cent.

Q. Of the what is that percentage taken on? A. Of the

total workers, employees.

Q. Now then, just to go one step further. You,

in your examination in chief said that a supervisor

had told you of what you called the intimidation of

the employees? A. Yes, sir.

Q. Now, would you tell me just again what that

intimidation amounted to? Tell me the same thing

as you told us before? A. That the supervisor

instructed the spinners to stay on their machines.



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Lavery, XX

Q. Now, what supervisor was that? A. Niles.

Q. That was just one supervisor? A. Yes, that was  
my department. I understand the same thing took place  
in every department. Of course, I was not directly  
in touch with those departments.

Q. Niles told the spinners to stop on their machines?

A. Yes, and not to talk to one another, and any talk  
of trades union would be discharged.

Q. Not to talk at all to one another? A. No,

not to stand talking, they may speak passing but that  
was only concerning the work.

Q. Of course, a spinner if he is on a machine he is  
not very close to the next man? A. No.

Q. In order for them to be close together one has  
to be away from his post? A. Yes. Of course,  
they meet going around the machine. Furthermore,  
they spin together and they can easily talk as they  
spin.

Q. What is therebetween one and another? A. There  
is a row of spinners, eight men on one side of machine  
in No. 3, and only working one yard, closely up against  
each other.

Q. How many would one spinner look after?

A. Around seven, that is in spinning doff system.

Q. Now, in the first attempt at negotiations Mr.

Fine was the go-between, was the negotiator? A. Yes.

Q. And you stated that he made certain arrangements  
for shipment out of rayons? A. Yes, sir.

LABOUR, XX 2000

Q. Now, what supervisor was that? A. Miles.

Q. That was just one supervisor? A. Yes, that was

my department. I understand the same thing took place

in every department. Of course, I was not directly

in touch with those departments.

Q. Miles told the spinners to stop on their machines

A. Yes, and not to talk to one another, and any talk

of strike would be discouraged.

Q. Not to talk at all to one another? A. No.

not to stand talking, they may speak passing but that

was only concerning the work.

Q. Of course, a spinner if he is on a machine he is

not very close to the next man? A. No.

Q. In order for them to be close together one has

to be away from his post? A. Yes. Of course,

they don't follow each other.

they spin together and they can easily talk as they

spin.

Q. What is the distance between one and another? A. There

is a row of spinners, eight men on one side of machine

in No. 3, and only working one yard, closely up against

each other.

Q. How many would one spinner look after?

A. Around seven, that is in spinning belt system.

Q. Now, in the first attempt at negotiations Mr.

Mine was the go-between, was the negotiator? A. Yes.

Q. And you stated that he made certain arrangements

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Q. What were those arrangements, the first one?

A. Before negotiations would open up two trucks and two trailers would be shipped.

Q. And you were satisfied with that? A. Yes.

5 We were satisfied with that - that safety men would get back to work, be allowed to go back to work and that the office staff go back. I think---

10 Q. Well now, it seems to me that I heard you say that the first arrangement was that two trucks would go out? A. Two trucks.

15 Q. Now you say two trucks and two trailers - which was it? A. First of all he said two trucks and then latterly he came back and said two trucks and two trailers.

20 Q. You know perfectly well that Courtaulds always ship with truck and trailer, never shipped with a truck alone - I mean for a distance? A. Yes, I know that now.

25 Q. So that there was no misunderstanding about that? A. There was a misunderstanding. Two trucks meant two trucks to me, two trucks did not mean two trucks and two trailers.

30 Q. Did not mean anything seeing trucks and trailers going out for years? A. I seen trucks and trailers going out of there for years, but a truck was a truck.

Q. Do you know how long it was before any shipments were made after the start of the strike? A. No.

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Laverly,

Q. Now you have mentioned that the first time

A. Before negotiations would open up two trucks  
and two trailers would be shipped.

Q. And you were satisfied with that?  
A. Yes.

Q. Were satisfied with that - that safety men would

get back to work, be allowed to go back to work

and that the office staff go back. I think---

Q. Well now, it seems to me that I heard you say  
that the first arrangement was that two trucks would

Q. No only  
A. Two trucks.

Q. Now you say two trucks and two trailers - which

Q. I think it might be said that the trucks

and then later they came back and said two trucks

and two trailers.

Q. You know perfectly well that Comstock's always  
ship with truck and trailer, never shipped with a truck

alone - I mean for a distance?  
A. Yes, I know

Q. And you

Q. Now you say that the first arrangement was that

Q. There was a misunderstanding. The trucks

meant two trucks to me, two trucks did not mean two

trucks and two trailers.

Q. Did not mean anything sending trucks and trailers

Q. I mean trucks and

trailers going out of there for years, but a truck

was a truck.

Q. Do you know how long it was before any shipments

were made after the start of the war?  
A. No.



It was about the time Mr. Marsh came. Yes, about that time.

Q. We can perhaps verify the date Marsh arrived.

How long had you been out on strike before any

5 shipments were made? A. From memory I would say about eight or nine days.

Q. Eight or nine days before any shipments were made?

A. No.

10 Q. There were no shipments made under Mr. Fine's arrangement because they fell through? A. Yes.

Q. Well then, for eight or nine days - I am informed it was 14 days but I am not taking issue on that point - for 8 or 9 days after there were no shipments made?

15 A. There were no trucks came to the mill.

Q. Why did no trucks come to the mill? A. I cannot explain that.

20 Q. You mentioned that you talked to the truck drivers - what did you say to them? A. When they came to the mill?

Q. Yes? A. Well, we told them we had a dispute here and we would like them to cooperate with us and not to move silk.

25 Q. There was no suggestion that the truck driver might get into trouble with your people? A. No, not insofar as I know, never was the policy of the union.

30 Q. You are right about 8 or 9 days. I was wrong about 14 days. Now, you have mentioned that possibly the presence of a number of spectators interfered with

It was about the time Mr. Marsh came. Yes, about the time.

How long had you been out on strike before any

shipments were made? A. From memory I would say about eight or nine days.

2. Eight or nine days before any shipments were made. A. No.

3. There were no shipments made under Mr. Fine's arrangement because they fell through? A. Yes.

4. Well then, for eight or nine days -- I am informed it was 14 days but I am not taking issue on that point for 8 or 9 days after there were no shipments made. A. There were no trucks come to the mill.

5. Why did no trucks come to the mill? A. I

6. You mentioned that you talked to the truck driver

and told them we had a dispute

here and we would like them to cooperate with us

and not to move strike.

7. There was no suggestion that the truck driver

might get into trouble with your people? A. No.

8. You are right about 3 or 4 days. I was wrong

about 14 days. Now, you have mentioned that possibly

the presence of a number of spectators interfered with

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9966

Lavery

shipments - who were the spectators? A. People from town. Some of the people who had been employed in the mill and some people from town that I did not know.

5 Q. Well now, do you suggest that it was ordinary spectators who were curious? A. Yes, they were curious, the whole time was there.

10 Q. Those curious spectators, they had no objection to shipments being made? A. No, not the slightest.

Q. It is hardly likely to suggest they were the reason of stopping shipment? A. Yes, but the very fact crowd there kept the truck driver away.

15 Q. There was no suggestion that he could not get through? A. We did not attempt it.

Q. Now, Mr. McCause was he a member of your Union? A. Yes, sir.

20 Q. Perhaps he was leader in the later negotiations? A. Yes, sir.

Q. Is he employed by the Company now? A. Yes, sir.

Q. Now, Mr. Blair was a member of your union? A. Yes, sir.

25 Q. He is now an officer? A. Yes, sir.

Q. He is still in the employ of the Company? A. Yes, sir.

Q. Even since he became an officer of the Union? A. Yes, sir.

30 THE COMMISSIONER: Do I understand the Union still persists then, still going on?

1911

Q. Some of the people who had been employed from town. In the mill and some people from town that I did not know.

A. Well now, do you suggest that it was ordinary spectators who were curious? A. Yes, they were curious, the whole time was there.

Q. Those curious spectators, they had no objection to shipments being made? A. No, not the slightest.

Q. It is hardly likely to suggest they were the reason of stopping shipment? A. Yes, but the very fact crowd there kept the truck driver away.

Q. There was no suggestion that he could not get through? A. He did not attempt it.

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Q. Perhaps he was leader in the later negotiations? A. Yes, sir.

Q. Is he employed by the Company now? A. Yes, sir.

Q. Now, Mr. Blair was a member of your Union? A. Yes, sir.

Q. He is now an officer? A. Yes, sir.

Q. He is still in the employ of the Company? A. Yes, sir. Q. Even since he became an officer of the Union?

THE COURT WILL ASK: Do I understand you mean still

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MR. DIXON: I understand so. I was going on to ask Mr. Lavery that question.

Q. What are you doing now? A. Nothing.

Q. You have no visible means of support? A. No, no means of support.

Q. Are you employed by the Union? A. No, I am not in the pay of the Union.

Q. Have you been at any time since the break? A. Never been paid by the Union in my life.

THE COMMISSIONER: What I want to know, in this reference to the Union, what Union are we talking about?

THE WITNESS: This is Local of the United Textile Workers of America.

MR. DIXON: Q. You are operating now on the Charter which you obtained at some time during the strike?

A. Yes.

THE COMMISSIONER: Q. And when you mentioned a man named Bahr, who is Vice-President of the Union, you mean the Local Union of the Textile Workers?

A. Yes, sir.

MR. DIXON: Q. And Toronto, I understand, is the headquarters in Canada of the United Textile Workers?

A. Yes, sir.

Q. And it is an international union? A. Yes, sir.

Q. With Toronto as headquarters? A. Canadian headquarters.

Q. With a local here? A. Yes, sir.

Q. That is 299 they talk of in the Agreement?

MR. DIXON: I understand no. I was going on to ask Mr. Laverly that question.

A. Nothing. What are you doing now?

A. No. You have no visible means of support? A. No. No means of support.

A. Are you employed by the Union? A. No, I am not in the pay of the Union.

A. Have you been at any time since the strike? A. Never. I have been paid by the Union in my life.

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A. And it is an international union? A. Yes, sir.

A. With Toronto as headquarters? A. Canadian

That is 300 they talk of in the agreement?



A. Yes, sir.

Q. Now, on this question of the affect of fumes on the eyes of the spinners - do you know if the affect is general? A. Well, very often on a shift of 50 men I have seen as high as 12 men affected by it on one shift. Further, I have seen months going past without any men being affected.

MR. McRUER: I understood him to say it was a condition of weather.

MR. DIXON: Q. I suppose that is a matter of ventilation working better in some weather than in others - is that right? A. Yes, I suppose.

Q. Now then, a man affected with sore eyes, is there nothing he can do about it? A. Yes, he can wash his eyes but it does not seem to matter a great deal. I have tried washing my eyes and I have tried not washing my eyes and seems to take a certain time outside of the mill in order to make them better.

Q. You do not suggest in the ordinary case there is any permanent affect or difficulty resulting from these fumes? A. I only know of one case that claims to have a permanent defect.

THE COMMISSIONER: Q. Is that the case you mentioned awhile ago? A. Yes, sir.

MR. DIXON: Q. And on the acid rash I understood you to say there wase one in two hundred might get it? A. Yes, around that number.

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Now, on this question of the effect of rumors

on the eyes of the spinners - do you know if the

effect is General? A. Well, very often, very often

shift of 50 men I have seen as high as 13 men affected

by it on one shift. Further, I have seen months

going past without any men being affected.

and the fact that the same person was the only one who was not

condition of weather.

[illegible]

ventilation working better in some weather than in

Others - is not right? A. Yes. I suppose.

4. Now then, a man afflicted with sore eyes, is there

nothing he can do about it? A. Yes, he can work on

and eyes but it does not seem to matter.

I have tried washing my eyes and I have tried even I

wearing my eyes and seems to take a certain time

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OF THE OVERALL ECONOMY

THE COMMISSIONER OF THE GENERAL LAND OFFICE

4. Yes, sir.      5000 0000

Mr. Blair: and on the cold rain I understood

You to say there were one in two hundred might get it



ARTHUR HEARD, Sworn,

EXAMINED BY MR. McRUER:

Q. You live in Cornwall? A. Yes, sir.

Q. How long have you lived here? A. Since 1919,  
5 I think.

Q. And were you a worker in the Courtaulds Plant?

A. Yes, sir.

Q. What did you work at? A. I worked as a  
10 doffer.

Q. Now, just what were your duties as a doffer?

A. We had to take, remove the silk from the machinery  
at a certain time,

Q. And how long did you work as a doffer?

15 A. I worked all the time as a doffer except that  
few months they tried me out for a spinner.

Q. How many years as a doffer? A. I first  
went there in around the last week in May or first  
20 week of June, 1925.

Q. Well, That would be just about the time that they  
started here? A. It was the time they  
started.

Q. And you were with them up until when?

25 A. I was with them I think for two years and three  
months, first period.

Q. And then were you back again? A. I went back  
again- I think I was out of there two years or two  
30 years and a half and I went back and served another  
year and a half.

INTERVIEW

EXAMINER: Now, Mr. Brydie,

you live in Toronto?

Q. Yes, I have lived there since 1911.

A. Yes.

Q. And were you a worker in the Courtlandt Plant?

A. Yes, sir.

Q. What did you work as?

A. I worked as a

doctor.

Q. Now, just what were your duties as a doctor?

A. We had to take, remove the silk from the machinery

at a certain time.

Q. And how long did you work as a doctor?

A. I worked all the time as a doctor except that

few months they tried me out for a spinner.

Q. I think you were a spinner?

A. Yes, I was there in around the last week in May or first

week of June, 1925.

Q. Well, that would be just about the time that they

started here? A. It was the time they

started.

Q. And you were with them up until when?

A. I was with them I think for two years and three

months, first period.

Q. And then were you back again? A. I went back

again- I think I was out of there two years or two

years and a half and I went back and served another

year and a half.



Q. When would it be that you worked there last?

A. Last? It was in the summer, as near as I can remember, 28th or 29th, in around September.

Q. And did the work there affect your eyes?

A. It did to a certain extent, I had quite sore eyes quite often.

Q. And what would affect your eyes? A. It seemed

to be when you take the covers off the boxes to take the silk out, there seemed to be gas or kind of smoke seemed to come out of those boxes.

Q. Fumes from the silk? A. When you take these covers off the spindles is spinning underneath it, and kind of box affair.

Q. The spinning went on in the box? A. Yes.

Q. You would take the cover off the box to take the skein off? A. Yes, you would have to lift this box out of the bigger box and seemed to come out of there.

Q. What affect did it have? A. Make your eyes burn and run to a terrible extent.

Q. Did you see other people's eyes affected besides your own? A. Yes, we used to have lots of them on a shift.

Q. Now, do you attribute that to the permanent injury of your eyesight? A. I was never given any definite account for it but when I went in there I was able to earn my own living, I was able to go

9970

Heard

Q. When would it be that you worked there last?

A. Last? It was in the summer, as near as I

can remember, 28th or 29th, in around September.

.. and did the work there affect your eyes?

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.. The spinning went on in the box? A. Yes.

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your own? A. Yes, we used to have lots of them

on a daily.

.. Now, do you estimate that to the permanent injury

of your eyes? A. I was never given any

definite account for it but when I went in there

it was worse than my own living, I was able to go

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around alone, enjoy life like anybody else but to-day I cannot get a job or do things as other men are doing them.

5 Q. Had you ever had any trouble with your eyes before you went there? A. No, do you mean treating eyesight, do any doctoring?

Q. Did you wear glasses? A. I did not wear glasses until after I went in there.

10 Q. Well, had you had pains in your eyes or anything of that sort before you went in there? A. No, never had any pains in my eyes.

15 Q. Well, you had no trouble with your eyes? A. No, not to say trouble that would bother me from working. I could always work and get a job any place.

20 Q. Did you quit there on account of your eyes? A. Well, I have not worked there since. I left on the 2nd day of February, 1932 to go, I left here to go to Montreal on the 4th of February, I asked time off to go. I could not see to do my work any more and I was fooling around ---

25 Q. I misunderstood you. I thought you left there in 1929? A. No, I went back in 1929 for my second period.

Q. And then worked until 1932? A. Yes, February 2nd.

30 Q. Were your eyes bothering you between 1929 and 1932? A. Not until about the last six months of the time

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I cannot get a job or do things as other men are doing  
growing alone, enjoy life like anybody else but to-day

..had you ever had any trouble with your eyes before

Q. Did you wear glasses? A. I did not wear

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• CONT.

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I could not see to do any work any more  
off to go.

... saw i bne

.. I understand you. I thought you left there

2. And then worked until 1982? A. Yes, February

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I was there.

Q. Well, did you feel the fumes affected your eyes then?

A. Well, affecting it, that is what it was.

I never really examined the thing. I would get over week-end, like Thursday and Friday, from about Wednesday to Saturday, and then over the week-end they would go but they always left a blur on them over the week-end.

Q. The trouble would clear up when you were away from the mill, is that it?

A. Yes, sir.

Q. And then when you went back to the mill what was the affect?

A. Well, it would be first, like Monday, until Wednesday or Thursday, feel them gradually coming back again.

Q. Did you complain to the Doctor about them at all?

A. No, I never went to the Doctor exactly. I have a little remedy of my own, used to put tea leaf poultices on them at night, or any time I would be off the shift, would go and darken the room and put these tea leaf poultices on them and slip them on and sleep for an hour and they would be slightly eased by then.

Q. You left in 1932 to go to Montreal?

A. Yes, sir?

on February 2nd.

Q. Was that to look for other employment?

A. No,

I went down to see a specialist to see whether there was any cure for them.

Q. Whom did you see there?

A. I saw Dr. McCaulley.

Q. What did he say to you about your eyes?

I was there.

Q. Well, did you feel the times affected your eyes?

A. Well, affecting it, that is what it

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over week-end, like Thursday and Friday, from about

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from the thing, is that all?

A. And then when you went back to the mill what

was the effect? A. Well, it would be first,

like Monday, until Thursday or Thursday, feel then

gradually coming over again.

Q. Did you complain to the doctor about them at all?

A. No, I never went to the doctor exactly. I have

a little remedy of my own, used to put the leaf position

on them at night, or any time I would be off the entire

would go and darken the room and put these tea leaf

positions on them and slip them on and sleep for an hour

and they would be slightly eased by then.

Q. You left in 1922 to go to Montreal?

A. Yes, sir.

Q. And then to look for other employment?

A. No, I went down to see a specialist to see whether there

was any cure for them.

Q. How did you get on?

A. That and he said to you about your eyes?



9973

Heard

A. He did not give me no definite account of them at all, just told me to come back to Cornwall and he would forward a letter to my doctor here.

5 Q. And did he do that? A. Yes, sir.

Q. Who is your doctor here? A. Dr. Cruzon.

10 Q. Did you tell the Specialist about the fumes in the plant? A. No, he was a very hearing man and I explained my trouble mostly to him as best I could and he acted to me as though he did not want to tell me whether there was any cure or not. That is the way I took it. Anyway, I came back to Cornwall on the Saturday night and on Monday I went to see Dr. Cruzon to see if Dr. McCaulley had forwarded any report.

15 Q. Did you tell Dr. Cruzon about the fumes at the plant? A. No, I did not tell him anything about the fumes there.

20 Q. Why did not you do that? A. Well, I cannot just tell you why I did not make any---

25 Q. Well, what I am getting at - if the fumes were injuring your eyes and you had gone to a specialist to see about it, why did not you tell him and ask him about whether you ought to go back to work?

A. I asked him if I could work and he said, "No." The Doctor in Montreal told me the same thing.

30 I asked him about going to work and he said - no, you cannot go to work.

Q. You had not told him about the character of your

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A. He did not give me no definite account of what it  
all, that told me to come back to Cornwall and no word  
forward a letter to my doctor here.

Q. And did he do that?  
A. Yes, sir.

Q. Who is your doctor here?  
A. Dr. Gordon.

Q. Did you tell the specialist about the tumor in  
the throat?

A. No, he was a very hearing man  
and I explained my trouble mostly to him as best I  
could and he seemed to me as though he did not want to  
tell me whether there was any cure or not. That is  
the way I look at it. Anyway, I came back to Cornwall  
on the second night and on Monday I went to see  
Dr. Gordon to see if Dr. Macaulay had forwarded any  
report.

Q. Did you tell Dr. Gordon about the tumor at the  
throat?

A. No, I did not tell him anything about the  
tumor there.

Q. Why did not you do that?  
A. Well, I cannot  
just tell you why I did not make any--

A. Well, what I am getting at - if the tumor were  
injuring your eyes and you had gone to a specialist  
to see about it, why did not you tell him and ask  
him about whether you ought to go back to work?

A. I asked him if I could work and he said, "No."

The doctor in Cornwall told me the same thing.

I asked him about going to work and he said - no, you



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Heard

work being injurious to your eyes? A. No, I had not said anything about it.

Q. Well, how was that? A. I cannot just exactly tell you why, whether it was the excitement or all mixed up, I don't know how it was. I know it was all done in a rush and maybe I overlooked it.

Q. Were there others at the same time in 1932 that were complaining about their eyes? A. Yes, we used to have men stay off, used to have men off quite a lot with sore eyes.

Q. Were you ever off work with them? A. No, sir, they would not let us stay off work.

Q. Did you ever ask to? A. I never asked to but I heard others ask and they had been told to come in.

Q. What unit were you working in? A. No. 1.

Q. Then after you saw your doctor you did not go back to work? A. No, he told me to go home and stay in bed for six weeks, darken the room and blindfold myself with a handkerchief or whatever I seen fit to put over my eyes.

Q. What is the condition of your eyes now?

A. Oh, just a matter of daylight and darkness.

Q. You cannot see to go about alone? A. Well, like that I can make my way if I take my time but I just go by colour. I get on streets sometimes, when I am with somebody, I don't know whether I am on the sidewalk or on the road. I just go by colour.

THE COMMISSIONER: Did this man ever make any application

WIT

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work being injurious to your eyes?

A. No, I had not said anything about it.

Q. Well, how was that? A. I cannot just exactly

tell you why, whether it was the excitement or all

mixed up, I don't know how it was. I know it was

all done in a rush and maybe I overlooked it.

Q. Were there others at the same time in 1962 that

were complaining about their eyes? A. Yes.

Q. We used to have men away off, used to have men off with

a lot with sore eyes.

Q. Were you even off work with them? A. No, sir.

Q. They would not let us say off work.

Q. Did you ever ask for? A. I never asked for

but I heard others ask and they had been told to come

Q. What unit were you working for? A. No. 1.

Q. Then after you saw your doctor you did not go back

to work? A. No, he told me to go home and stay

in bed for six weeks, darken the room and blindfold my-

self with a bandkerchief or whatever I seen fit to put

Q. That is the condition of your eyes now?

A. Yes, just a matter of daylight and darkness.

Q. I am sure that I can take my way if I take my time but I

just go by colour. I get an estimate sometimes, when

I am with somebody, I don't know whether I am on two



under the Workmen's Compensation?

MR. McRUER: Q. Did you ever make any application  
to the Workmen's Compensation Board? A. No, I did not.

Q. Have not made any claim against them at all?

A. No.

Q. Well, if you felt that the conditions of your  
eyes were in any way attributable to your employment  
how is it that you did not make application for compen-  
sation? A. Well, in the case of an accident

in any mill, that is, what you would call an accident,  
they always send you in seven days for a form to fill  
in. If you do not get that form you knew you were  
not entitled to any.

Q. That is, if employer makes a report ?

A. The Manager of your Department is supposed to do  
that.

Q. Your employer would not very well be in a  
position to make any report in regard to your eyes if  
you had not complained to them about it? A. Oh,  
I had complained to my foreman long before ever I left  
the mill. I complained to him in November.

Q. Who was the foreman? A. Mr. Niles.

Q. You told to him about the affect of the fumes  
on your eyes? A. Yes, I complained to him in  
November, that was the first that I was really bothered  
with them so that they handicap the me from working  
in plant.

Q. Did you ever make any application

to the Foreman's Compensation Board? A. No, I did not.

Q. Have not made any claim against them at all?

A. No.

Q. Well, if you felt that the conditions of your

eyes were in any way attributable to your employment

now is it that you did not make application for compensation?

A. Well, in the case of an accident

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position to make any report in regard to your eyes if

you had not complained to them about it? A. Oh,

I had complained to my foreman long before ever I left

the mill. I complained to him in November.

Q. How was the foreman? A. Mr. Miller.

Q. You told to him about the effect of the fumes

on your eyes? A. Yes, I complained to him in

November, that was the first that I was really bothered

with them so that they handicap me from working

in them.

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BY MR. DIXON:

Q. November of what year? A. 1931, the Fall.

Q. Now, am I to understand you have never reported to the nurse in the plant in the first instance about the condition of your eyes? A. Well, I just reported to Mr. Niles on this particular day.

Q. Did you ever go to the nurse and ask for assistance when your eyes were sore? A. No.

Q. Or did you ever report to the Doctor who comes around the plant periodically? The Doctor, as I understand it, is available at the plant for any man certain days of the week? A. I never knew

that.

Q. You never made any effort?

THE COMMISSIONER: Q. You say you never knew that?

A. I never knew that.

MR. DIXON: Q. You knew that a nurse was there all the time? A. Yes, sir.

Q. You did not do anything with her? A. Yes, first aid bottles in the room, supplied us.

Q. You worked for two years and three months? A. Around that.

Q. From May 1925 on? A. As far as I can remember, about that.

Q. Why did you leave at the end of two years and four months, for? A. I was fired.

Q. And you were out for another two years?

Q. Now, was I so understanding you have never reported  
to the nurse in the plant in the first instance about  
the condition of your eyes? A. Well, I just  
reported to Mr. Allen on this particular day.

Q. Did you ever go to the nurse and ask for assistance  
in any way? A. No, sir.  
Q. Or did you ever report to the doctor who comes  
around the plant periodically? The doctor, as  
I understand it, is available at the plant for any  
and all purposes?  
A. I never made any effort.

Q. You never made any effort?  
A. I never knew that.  
Q. You know that a nurse was there  
all the time?  
A. Yes, sir.  
Q. You know that the doctor was there  
all the time?  
A. Yes, sir.

Q. You worked for two years and three months?  
A. Around that.  
Q. And you left at the end of two and a half years  
and four months, forty?  
A. I was fired.

Q. And you were fired for being  
incompetent?  
A. Yes, sir.



A. I was out about two and a half years and I went and got a job back on a different shift.

5 Q. Why were you fired? A. I was out a week sick, I was out with the grippe in the spring of the year February or March.

Q. And during those two years and some months how were your eyes then? A. When I was in the mill or out of it?

10 Q. Well, in and out? A. Well, they were so that I could handle work, I could go around and enjoy myself and take others with me.

Q. You were able to carry on with your work?

15 A. Yes, sir.

Q. Now then, you left your employment in February 1932 and went to Montreal to see a doctor? A. Yes, sir.

20 Q. At that time you had been to see the local doctor, Dr. Cruzon, I think you said? A. Before going to Montreal?

Q. Yes? A. No, only I think I went to get a lens renewed in the summer before that and he ---

25 Q. You had not complained about the condition of your eyes? A. Well, I was having trouble, had trouble down there about fine threads in the silk and I had trouble locating them and I went and got new lens for the glasses I was wearing.

30 Q. Now, in the two and a half years that you were not employed in the company had you any trouble with your eyes? A. No, sir, none at all.

by Mr. Nixon

A. I was out about two and a half years and I went and got a job back on a different shift.

Q. Why were you fired? A. I was out a week

and I was out with the gripe in the spring of the year February or March.

Q. And during those two years and some months

how were your eyes then? A. When I was in

the mill or out of it

Q. Well, in and out? A. Well, they were

so that I could handle work, I could go strong and

enjoy myself and take others with me.

Q. You were able to carry on with your work?

A. Yes, sir.

Q. Now then, you left your employment in February

1933 and went to Montreal to see a doctor? A. Yes, sir.

Q. At that time you had been to see the local doctor,

Dr. Ginnon, I think you said? A. Before going

to Montreal?

Q. Yes? A. No, only I think I went to get

a lens renewed in the summer before that and he --

Q. You had not complained about the condition

of your eyes? A. Well, I was having trouble,

had trouble down there about time trousers in the silk

and I had trouble locating them and I went and got

new lens for the glasses I was wearing.

Q. Now, in the two and a half years that you were

not employed in the company had you any trouble with



Q. So that the first two years and three months working there did your eyes no harm whatever?

A. Oh, no, only I found they used to get tired.

5 Q. You just told me in the two years and a half you were out you had no trouble with your eyes?

A. No, not ---

Q. And my next question is - in the first two years you got no harm? A. No harm.

10 Q. It is all in the two and a half years that ended in February, 1932? A. The last period about a year and a half.

Q. All the injury came in a year and a half? A. Last six months.

15 Q. You went down to Montreal to consult a specialist about your eyes and you did not tell him what you thought was causing the trouble? A. No, I did not go into the details that far.

20 Q. Did you tell him the nature of your employment? A. Yes, I told him I was working in a silk mill in Cornwall.

Q. That is all? A. Yes, sir.

25 Q. The ordinary doctor does not know anything about spinning boxes or sulphuric acid baths? A. No.

Q. You did not tell him anything about that? A. No. When he said I could not work ---

30 Q. Why did he say you could not work - because you were not able to see? A. Yes, because I could not see.

Q. So that the first two years and three months

working there did your eyes no harm whatever?

A. Oh, no, only I found they used to get tired.

Q. You just told me in the two years and a half

you were out you had no trouble with your eyes?

A. No, not ---

Q. And my next question is - in the first two years

you got no harm? A. No harm.

Q. It is all in the two and a half years that

ended in February, 1933? A. The last period

about a year and a half.

Q. All the injury came in a year and a half?

A. Last six months.

Q. You went down to Montreal to consult a specialist

last about your eyes and you did not tell him what

you thought was causing the trouble? A. No,

did not go into the details that far.

Q. Did you tell him the nature of your employment?

A. Yes, I told him I was working in a silk mill

in Cornwall.

Q. That is all? A. Yes, sir.

Q. The ordinary doctor does not know anything about

spinning boxes or sulphuric acid baths? A. No.

Q. You did not tell him anything about that?

A. No. When he said I could not work ---

Q. Why did he say you could not work - because you

were not able to read? A. Yes, because I could

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Q. You gave him no inkling of what might be causing this trouble? A. No.

Q. You have already told in your Examination in Chief that you made no claim under the Workmen's Compensation Act? A. No, I have never written to them or anything of that effect, because, as I say, because it is only for an accident and I did not think it applied to me.

Q. Now then, when I tell you if you can trace this directly to your employment you are entitled to compensation, I take it you will go at once and make an application, will you? A. I can do that?

Q. That is what I am saying. A. Certainly, I will try anything once. I have a family of six to support. I am not supporting them now.

Q. Dr. Cruzon, the local doctor here, has he ever given you any inkling of what the trouble is with your eyes? A. No, he never said what caused this injury or anything like that, no.

-- Adjourned at 12.30 P.M. to resume at 2 o'clock P.M.

----

Q. You gave him no inkling of what might be caused

A. No. This trouble?

Q. You have already told in your examination I

Chief that you made no claim under the Workmen's Compensation Act? A. No, I have never written to

them or anything of that effect, because, as I say,

because it is only for an accident and I did not

think it applied to me.

Q. Now then, when I tell you if you can trace

this directly to your employment you are entitled to

compensation, I take it you will go at once and make

an application, will you? A. I can do that?

Q. That is what I am saying. A. Certainly.

I will try anything once. I have a family of

six to support. I am not supporting them now.

Q. Dr. Cronin, the local doctor here, has he

ever given you any inkling of what the trouble is with

your eyes? A. No, he never said what caused

this injury or anything like that, no.

-- adjourned at 12.30 P.M. to resume at 2 o'clock P.M.



9980

Racine

AFTERNOON SESSION

The Commission resumed at 2 p.m.

5 ALICE RACINE sworn, examined by Mr. McRuer.

Q. Prior to the strike, you were employed at Courtaulds, were you Miss Racine? A. Yes, I was.

Q. In what capacity? A. Forelady.

Q. As forelady? A. Yes.

10 Q. In what department? A. Number 2 reeling.

Q. And what does a forelady do? A. She has to do with the girls, has to see that the girls do their work, and that everything is in order.

Q. A sort of a foreman? A. Kind of, yes.

15 Q. Was there another superior to you? A. Just the foreman.

Q. Just the foreman? A. Yes.

Q. How many girls would you supervise? A. About 90.

20 Q. About 90? A. Yes.

THE COMMISSIONER: Is she still there?

BY MR. McRUER: Q. Are you there now? A. No.

Q. How long had you been employed there? A.

25 Since 1925, July 6th.

Q. And you started in what way? A. As a reeler.

Q. As a reeler? A. Yes.

Q. And consequently employed up until the strike, were you? A. Yes.

30 Q. And you rose from a reeler to be a forelady?

A. Yes, I did.

By the

9990

AFTERNOON SESSION

THE EXHIBITS

examined by Mr. [Name]

Q. Prior to the strike, you were employed as

Generalist, were you Miss [Name]? A. Yes, I was.

Q. In what capacity? A. Forelady.

Q. In what department? A. Number 3 reeling.

Q. And what does a forelady do? A. She has to

do with the girls, has to see that the girls do their

work, and that everything is in order.

Q. A sort of a foreman? A. Kind of, yes.

Q. Was there another superior to you? A. That

the foreman.

Q. How many girls would you supervise? A. About

Q. About 20? A. Yes.

Q. The forelady then: Is she still there?

Q. Yes, she is. Are you there now? A. No.

Q. How long had you been employed there? A.

Since 1925, July 6th.

Q. And you started in what way? A. As a reeler.

Q. As a reeler? A. Yes.

Q. And consequently employed up until the strike?

Q. And you rose from a reeler to be a forelady?

A. Yes, I did.



9981

Racine

Q. What was your particular work just before you became a forelady -- still a reeler? A. No, I was a booker.

5 Q. A booker? A. Yes.

Q. What does a booker do? A. Collecting the work that the reelers do.

Q. I see. That would be one stage higher than a reeler? A. Yes.

10 Q. And then a forelady is another promotion? A. Yes.

Q. And I presume that your work had always been satisfactory then? A. Yes, I have no complaints.

15 Q. You had no complaints about it, at any rate? A. No, I have not.

Q. You had no complaints? A. No.

Q. And then you got promotion from time to time? A. Yes, I did.

20 Q. Now, what did your promotions mean in wages. As a reeler, what did you get? A. 26 cents an hour.

Q. 26 cents an hour? A. Yes.

Q. Then when you became -- what was the next promotion? A. Forelady.

25 Q. No, a booker? A. That was 30 cents.

Q. 30 cents an hour? A. Yes.

Q. And a forelady how much? A. At the present time I was getting 34 cents an hour.

30 Q. Before the strike? A. Yes, I mean at the time of the strike.

Q. Now, will you tell us what happened at the time of the strike there. Just the part that you took

machine

9251

Q. What was your particular work just before  
you became a booker? -- still a reader? A. No, I  
was a booker.

Q. A booker? A. Yes.

Q. What does a booker do? A. Collecting the

money from the readers.

Q. I see. That would be one stage higher than  
a reader? A. Yes.

Q. And then a booker is a higher grade than

A. Yes.

Q. And I presume that your work had always been  
satisfactory then? A. Yes, I have no complaints.

Q. You had no complaints about it, at any time?

A. No, I have not.

Q. You had no complaints? A. No.

Q. And then you got promotion from time to time  
A. Yes, I did.

Q. Now, what did your promotions mean in wages?

A. As a reader, what did you get? A. 25 cents an hour.

Q. 25 cents an hour? A. Yes.

Q. Then when you became -- what was the next

promotion? A. Booker.

Q. No, a booker? A. That was 30 cents.

Q. 30 cents an hour? A. Yes.

Q. And then you got promotion from time to time

time I was getting 35 cents an hour.

Q. Before the strike? A. Yes, I mean at the

time of the strike.

Q. Now, will you tell us what happened at the

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in it ? A. I did not take part in the strike at all.  
Our room was not in the mill when they went on strike.

Q. It was not in the mill ? A. No, we were out.

Q. It was not your strike ? A. No, we were  
working days.

. You had some part though in the question of  
the amount that the girls were to do, had you not ?

A. Oh, yes.

Q. You had to see that they did their work ?

A. Yes, I did.

. And did you have any part in organizing the  
Union ? A. No, I had no part whatsoever. I was just  
a member.

Q. You were just a member of the union ? A. Yes,  
sir.

. Were you active in your membership ? A. No,  
not at all.

. Well, why have you not been taken back ?

A. I don't know.

. You don't know ? A. No.

. Well, when they went out on strike did you do  
anything to try to help the girls ? A. No, not at all  
about the union, nothing about the union; I never  
helped them in any way.

. Well now, tell us about the work that the girls  
had to do, and what was their complaint about it ?

A. That they had too much to do.

. That they had too much to do ? A. Yes.

. Now, what was the type of work and why was it

in it? A. I did not take part in the strike at all.  
Our room was not in the mill when they went on strike.  
It was not in the mill? A. No, we were out.  
It was not your strike? A. No, we were  
You had some part though in the question of  
the amount that the girls were to do, had you not?  
You had to see that they did their work?  
And did you have any part in organizing the  
Union? A. No, I had no part whatsoever. I was just  
a member.  
You were just a member of the union? A. Yes  
etc.  
You were active in the membership? A. No,  
not at all.  
Well, why have you not been taken back?  
I don't know? A. No.  
Well, when they went out on strike did you do  
anything to try to help the girls? A. No, not at all.  
about the union, nothing about the union; I never  
helped them in any way.  
I don't know, well to report the work that the girls  
had to do, and that was the complaint about it?  
That they had to work in the  
That they had to work in the  
Now, what was the type of work and why was it

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9983

Racine

that they had too much to do? A. They had too many reels to run and too many boards to make. On a certain number of reels they had to make so many boards for the number of reels.

Q. There had been an increase in the number of reels? A. No, not lately.

Q. It was Mr. Lavery that said it? A. Well, not in No. 2 reeling; that happened this morning; that was in No. 1 reeling.

Q. Oh, that was in No. 1 reeling? A. Yes.

Q. Well, how long had this condition existed then, when you say they had too much to do? A. Oh, quite a number of years.

Q. How many reels do you say would be a reasonable amount? A. Well, it all depends on the denier you have.

Q. They vary, I suppose? A. Yes.

Q. With the size of the denier? A. With the size of the denier, yes, and on the coarser denier you had less reels, which they ran by clocks, and they only took about 12 to 15 minutes to run, and if they only ran that length of time you had to keep up to this number of reels.

THE COMMISSIONER: I do not quite understand. You say they run by clocks? A. Yes, they stop themselves, every few thousand yards.

BY MR. McRUER: Q. Well, take a particular illustration, say the denier was 150? A. 150 denier the cakes run completely out; the reels did not stop

2088

that they had too much to do. A. They had too  
many reels to run and too many hours to make. On a  
certain number of reels they had to make so many  
hours for the number of reels.

reels? A. No, not lately.  
Q. It was Mr. Harvey that said it? A. Well,  
not in No. 8 reels; that happened this morning;  
that was in No. 1 reels.

Q. Oh, that was in No. 1 reels? A. Yes.  
Q. Well, how long had this condition existed  
then, when you say they had too much to do? A. Oh,  
not so a number of years.

Q. How many reels do you say you had to be a person-  
able amount? A. Well, it all depends on the dentist  
you have.

Q. Now very, I suppose? A. Yes.  
Q. With the size of the dentist? A. With the  
size of the dentist, yes, and on the contract dentist  
you had less reels, when they run by clock, and  
they only took about 12 to 15 minutes to run, and  
if they only wanted length of time you had to keep  
up to this number of reels.

Q. Now I think: I do not quite understand.  
You say they run by clock? A. Yes, they stop  
at a certain time, and then they stop.  
Q. Now, take a particular

illustration, say the dentist was 1000. A. The dentist  
the dentist was 1000, and the dentist was 1000.



9984

Racine

themselves, you had to stop them, and they had to put five skeins on every board and had to do 15 boards per hour; that is 150 denier.

5 Q. They had to do 15 boards per hour on 150 denier? A. Yes.

Q. Well now, that was required of the employees in order for them to earn how much per hour? A. 26 cents per hour.

10 Q. 26 cents per hour? A. Yes.

Q. And if an employee did not keep up to that standard, what happened? A. She would get just what she earned; if she made a board less, she would only get 25 cents an hour.

15 Q. Oh, I see, so that it was a sort of piece work after all? A. Yes, I should think it was.

Q. If they did not make up to the standard that was set, then she would be paid according to what she had? A. Yes.

20 Q. Well, if she made over the standard that was set? A. She would have to make five extra boards per day, or four extra boards per day to get 27 cents an hour.

25 Q. I see. So that although she made one less than the 25 or 26, -- what was the rate per hour? A. 26 cents per hour.

Q. If she made one less than the standard set she would get a cent less per hour? A. Yes.

30 Q. But in order to make a cent over she had to make how many extra?

THE COMMISSIONER: In a day.

W. Cline

9984

themselves, you had to stop them, and they had to  
put five sheets on every board and had to do 15  
boards per hour; that is 150 sheets.

Q. They had to do 15 boards per hour on 150

boards? A. Yes.

Q. Well now, that was required of the employees  
in order for them to earn how much per hour? A. 20

Q. 20 cents per hour? A. Yes.

Q. And if an employee did not keep up to that

standard, what happened? A. The would get just

what she earned; if she made a board less, she would  
only get 20 cents an hour.

Q. Oh, I see, so that it was a sort of piece

work after all? A. Yes, I should think it was.

Q. If they did not make up to the standard that

was set, then she would be paid according to what she  
had? A. Yes.

Q. Well, if she made over the standard that was

set? A. She would have to make five extra boards

per day, or four extra boards per day to get 27 cents  
an hour.

Q. I see, so that although she made one less

than the 25 or 26, -- what was the rate per hour?

A. 26 cents per hour.

Q. If she made one less than the standard set

she would get a cent less per hour? A. Yes.

Q. But in order to make a cent over she had

to make how many extra?



9985

Racine

THE WITNESS: Four extra per day.

BY MR. McRUER: Q. At 150 denier, in a day?

A. Yes, in a day.

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Q. I see. Well now, take the 150 denier, you say the standard was 15? A. Yes.

Q. And how many do you say it should be? A. 14.

Q. 14, you think, is plenty for a girl? A. Yes.

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Q. Now, in the new agreement was it reduced to 14? A. Yes, it was.

Q. It was reduced to 14? A. Yes.

Q. Now, did you ever complain to anyone about the girls having too much to do? A. Yes, I did.

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Q. To whom did you complain? A. To our foreman Mr. Robinson.

Q. To Mr. Robinson? A. Yes.

Q. When did you complain to him? A. Oh, I don't know, at-- different times.

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Q. Had you been complainant recently, before the strike? A. Well, no, I wouldn't say that I have; only a few girls that perhaps didn't get their work, I had mentioned something to him about it.

25

Q. But this incident of the girls refusing to do the extra amount did not happen in your shift?

A. No, it did not happen on mine.

Q. Well now, was there any trouble with the fumes in your department? A. No, not in our department.

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Q. That did not happen in your department?

A. No.

9985  
Bridges

THE WITNESS: Four o'clock on day.  
BY MR. MURPHY: Q. At 120 dollars, in a day?  
A. Yes, in a day.  
Q. I see. Well now, take the 120 dollars, you  
say the standard was 15? A. Yes.  
Q. And how many do you say it should be? A. 14.  
Q. 14, you think, is plenty for a girl? A. Yes.  
Q. Now, in the new agreement was it reduced to  
14? A. Yes, it was.  
Q. It was reduced to 14? A. Yes.  
Q. Now, did you ever explain to anyone about  
the girls having too much to do? A. Yes, I did.  
Q. To whom did you complain? A. To our fore-  
man, Mr. [unclear].  
Q. When did you complain to him? A. Oh, I  
don't know, at different times.  
Q. Had you been complaining recently, before the  
strike? A. Well, no, I wouldn't say that I have; only  
a few girls that perhaps didn't get their work, I had  
mentioned to him about it.  
Q. But this incident of the girls refusing to  
do the extra amount did not happen in your shift?  
A. No, it did not happen on mine.  
Q. Well now, was there any trouble with the  
ladies in your department? A. No, not in our de-  
partment.  
Q. That did not happen in your department?  
A. No.

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9986

Racine

Q. What about the hours that the girls work;  
how long did they work ? A. From 7:30 till 3:30,  
or 4 or 4:30; it depends on the number of cakes  
that we have.

Q. What do you mean by that? A. The amount of  
silk.

Q. Why did it depend on that ? A. It depended  
on the spinning room. Some days they would make  
more than other days.

Q. What they would take in the spinning room  
from you? A. Yes.

Q. Did the girls have time off for lunch ?  
A. Yes, one hour.

Q. Were they paid for that ? A. No, they were  
not paid for the hour.

Q. They were not paid for the hour ? A. No.

Q. Was any time allowed to them during the re-  
mainder of the day for personal comfort or anything  
of that sort ? A. No, they had to be at their reels  
mostly all the time.

Q. Well, if they left them temporarily, was the  
time taken off? A. Oh, but they had to make their  
boards just the same.

Q. They had to keep up their boards ? A. Oh,  
yes, they had to make their boards just the same.

Q. Did the girls ever go there before 7 o'clock  
in the morning? A. Yes, they did.

Q. How did they come to do that? A. Well, the  
reels were started at 6:30 and they went into try to

Q. Now, did they work from 7:30 till 8:30?

A. Yes, they did.

Q. How long did they work?

A. From 7:30 till 8:30.

Q. What do you mean by that?

A. The amount of

Q. Why did it depend on that?

A. It depended

Q. What they would take in the spinning room

A. Yes.

Q. Did the girls have time off for lunch?

A. Yes, one hour.

Q. Were they paid for that?

A. No, they were

Q. They were not paid for the hour?

A. No.

Q. Was any time allowed to them during the re-

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Racine

get their boards made.

Q. They went in earlier to try to get their boards made? A. Yes, to try to get their boards made.

5 . Were they paid for that half hour? A. No, they were not.

Q. And that was in order to try to get their boards made, so that they would get their standard rate? A. Yes.

10 Q. Well, was that common practice among the girls under you? A. Yes.

THE COMMISSIONER: Is it still the practice?

15 BY MR. McRUER: Q. Do you know if it is still the practice? A. Well, no. I have heard that the machines do not start till 7 o'clock now.

BY MR. McRUER: Q. Well, they have got one less board to make now than before? A. Yes.

20 Q. So that they would not be stretched quite so much? A. No.

Q. Now, tell me, do you know why you are not back to work? A. No, I do not.

Q. Have you tried to get back? A. No, I have been waiting for word.

25 Q. You are waiting for word? A. Yes.

Q. But you have not been called? A. No, I have not.

30 Q. And do the girls punch in when they come in in the morning? A. Yes.

Q. That has been in vogue for some time? A. Yes.

9987

Machine

Q. They went in earlier to try to get their boards made? A. Yes, to try to get their boards made.

Q. Were they paid for that half hour? A. No, they were not.

Q. And that was in order to try to get their boards made, so that they would get their standing rate? A. Yes.

Q. Well, was that a common practice among the girls under you? A. Yes.

Q. THE COMMISSIONER: Is it still the practice? BY MR. REEDER: 4. Do you know if it is still the practice? A. Well, no. I have heard that the machines do not start till 7 o'clock now.

BY MR. REEDER: 4. Well, they have got one less board to make now than before? A. Yes.

Q. So that they would not be stretched out so

Q. Now, tell me, do you know why you are not

back to work? A. No, I do not.

Q. Have you tried to get back? A. No, I have

been waiting for word.

Q. You are waiting for word? A. Yes.

Q. But you have not been called? A. No, I have

not.

Q. And do the girls bench in when they come in

in the morning? A. Yes.

Q. That has been in vogue for some time? A. Yes.



Q. Well, would the tickets show the time that the girls punched in? A. Yes, they would.

Q. Before the strike? A. Yes, sir.

Q. If they were going there before 6:30, it would show on the tickets? A. Yes. I have seen some in there at six o'clock, and their cards will show that they punched in at six o'clock.

Q. I see. So that if what you say is not true in regard to that --

THE COMMISSIONER: Well, if this lady saw them there at six o'clock, she must have been there herself.

THE WITNESS: Yes, I was. I was the only girl that got paid from 6:30.

BY MR. McRUER: Q. Why were you paid? A. To see that the right deniers were in the alleys and that the reels were running before seven o'clock.

Q. Well, I am wondering why a girl like you that has been promoted from time to time, and your rate of pay increased, has not been taken back; you cannot give us any light on that at all? A. No.

Q. Did you have some discussion with Mr. Kenyon just before the strike? A. Yes, I did. He had told me that if I carried on union activities I would not be fore-mistress very long.

Q. And how long was that before the strike? A. The Saturday before the strike.

Q. The Saturday before the strike? A. Yes.

Q. And he told you what? A. He told me that if I carried on union activities --

Well, would the tickets show the time that

the girls punched in 4. Yes, they won 4.

in regard to the

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Racine

Q. That if you carried on union activities you would not be fore-mistress very long? A. Yes.

Q. So then you must have been taking some part? A. Oh, no, I was not.

BY THE COMMISSIONER: Q. Did you tell him that?

A. Yes, I did.

BY MR. McRUER: Q. At any rate, he seemed to think you were taking part? A. Yes.

CROSS-EXAMINED BY MR. DIXON.

Q. Miss Racine, what did you say was the average rate in the reeling room? A. At the time I was there it was 26 cents. You had to make extras in order to get the 27 cents.

Q. How many? A. Four extras per day. We got two cents for every board made above that.

Q. Above the four? A. No, that was the four extra.

Q. And that was open to any girl who was capable of obtaining it? A. Yes.

Q. So that in --

THE COMMISSIONER: I do not quite understand that. Does that mean that the first three extra did not count at all.

MR. DIXON: As I understand it, my lord, if a girl made four extras in a day she counted an extra cent per hour.

THE COMMISSIONER: If she only made three, the three did not count.

Q. That is not carried on union activities

A. So then you must have been taking some

part? A. Oh, no, I was not.

BY THE COURT: Q. Did you tell him that?

A. Yes, I did.

BY MR. MOHRER: Q. At any rate, he seemed to

think you were taking part? A. Yes.

Q. Miss Reine, what did you say was the average

rate in the reeling room? A. At the time I was there

it was 26 cents. You had to make extra in order to

get the 27 cents.

Q. How many? A. Four extras per day. We got

two cents for every board made above that.

Q. Above the four? A. Yes, that was the four

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Q. And that was open to any girl who was capable

of obtaining it? A. Yes.

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THE COURT: I do not quite understand that

Does that mean that the first three extra did not count

at all.

MR. MOHRER: As I understand it, my lord, if a girl

made four extras in a day she counted no extra cent

THE COURT: It was only made three, she



MR. DIXON: No, that is right.

THE COMMISSIONER: But once she made four extra then she had an extra cent for each one of the four.

MR. DIXON: An extra cent for allx the hours during the day.

BY THE COMMISSIONER: Q. That is right, is it?  
A. Yes.

BY MR. DIXON: Q. And that would amount to a considerable amount of money? A. Yes.

. It is not out of the way for a girl to make say, from one dollar a week extra? A. Oh, no, it didn't amount to that; some of them did; it depended on the denier they were working on.

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CONFIDENTIAL

It is not out of the way for a girl to make



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Racine

THE COMMISSIONER: On the other hand, Mr. Dixon, this reduction to 25 cents, how did that operate, for the whole day?

MR. DIXON: That operated for the whole day, my lord. I think that is right, is it not? A. Yes, that was the whole day.

Q. If 14 boards were required and only 13 were made, then that girl went on a lower standard of 25 cents? A. That would be per week. She would not get 25 one day and 26 another day.

BY THE COMMISSIONER: Q. 25 for the whole week? A. Yes, until she could prove she could make 26 cents. She would get 26 cents perhaps the following week.

BY MR. DIXON: Q. In the course of your evidence you said that for each board less than the standard that was made the pay was reduced by one cent an hour? A. Yes, it was.

Q. To what point does that carry on? A. Till about 11 boards.

Q. In other words, if the standard is 14 and the girl only makes 10 she loses 4 cents an hour pay? A. Yes.

Q. You are satisfied as to that? A. Yes.

Q. That you can sink below 25 cents per hour? A. Well, if a girl was used to making 26 and 27 cents an hour if she came down to 10 boards an hour they would practically fire her.

Q. They fired her? A. Yes.

On the other hand, Mr.

any of the five hundred new cases of HI

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Racine

Q. What would be their pay just before she was fired ? A. Well, I have not seen anybody lowered to 10 boards per hour.

Q. Have you seen anybody lowered to 25 cents after she had ceased to be in the learner class ?

A. Yes.

Q. Well, give us one example ? A. I don't remember just now who it was.

Q. What was the rate, if you cannot remember?

A. 24 and 23.

Q. That is all.

LEONARD HARRIES sworn

EXAMINED BY MR. McRUER: Q. Mr. Harries, you were employed at Courtaulds ? A. For a period of eight years previous to the strike.

Q. For eight years previous to the strike?

And have you been getting any work there since the strike? A. No.

BY THE COMMISSIONER: Q. What is the answer ?

A. No.

BY MR. McRUER: Q. Were you a member of the union? A. I was.

Q. Were you active in its organization ? A. It just depends on what you mean by activity.

Q. Did you take some part ? A. I was on the picket lines and such like.

Q. You were on the picket lines? A. Yes.

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Reading

... what would be their pay just before she

was fired? A. Well, I have not seen anybody lowered

to 10 pounds per hour.

... Have you seen anybody lowered to 25 cents

after she had ceased to be in the lowest class?

A. Yes.

Q. Well, give us one example? A. I don't

remember just now who it was.

... What was the rate, if you cannot remember?

A. That is all.

STANDARD BY MR. MONAGHAN: Q. Mr. Bradley, you were

employed at 10 cents an hour for a period of eight

years previous to the strike.

... Did you ever work on the strike?

and have you been getting any work there since the

strikes? A. No.

BY THE WITNESS: Q. What is the answer?

A. No.

BY MR. MONAGHAN: Q. Were you a member of the

union? A. I was.

Q. Were you active in the organization? A. It

just depends on what you mean by activity.

Q. Did you take some part? A. I was on the

highest I was and such like.



Q. Did you have any discussion with the management or any of the foremen or any one like that about your activities? A. No discussion whatsoever.

BY THE COMMISSIONER: Q. What is that? A. No discussion.

Q. You will have to speak louder.

BY MR. Mc RUER: Q. You will have to speak louder; it is hard to hear here. Has any reason been given to you as to why you have not been taken back?

A. I have heard numerous reasons but I have had nothing direct from the management.

Q. Nothing direct from the management; well now, what department did you work in? A. I worked in the jet stall in the spinning department, No. 2 unit.

Q. That was the same sort of work as Laverty did? A. Yes, but in No. 2 unit.

Q. Well, how much did you earn? A. In the jet stall 47½ cents an hour.

Q. Forty seven and a half cents an hour; that was prior to the strike? A. Yes, sir.

Q. Can you tell me whether you have any knowledge of the effect of these fumes on the eye-sight?

A. Well, I would say it is a form of acute inflammation.

Q. A form of acute inflammation? A. Yes.

Q. Have you suffered from it? A. I have on numerous occasions.

Q. On numerous occasions, and how painful is it? Do you suffer when you leave the plant at night?

History

Q. Did you have any discussion with the management or any of the foremen or any one like that about your activities? A. No discussion whatsoever.

BY THE COMMISSIONER: Q. What is that? A. No discussion.

Q. You will have to speak louder.

BY THE COMMISSIONER: Q. You will have to speak louder; it is hard to hear here. Has any reason been given to you as to why you have not been taken back? A. I have heard numerous reasons but I have had nothing direct from the management.

Q. Nothing direct from the management? Well, now, what intervention did you work in? A. I worked in the jet mill in the spinning department, No. 2 unit.

Q. That was the same sort of work as inventory did? A. Yes, but in No. 2 unit.

Q. Well, how much did you earn? A. In the jet mill 45 cents an hour.

Q. Forty seven and a half cents an hour; that is prior to the strike? A. Yes, sir.

Q. And you tell me whether you have any knowledge of the effect of these taxes on the eye-sight? A. Well, I would say it is a form of acute inflammation.

Q. Have you suffered from it? A. I have on numerous occasions.

Q. On numerous occasions, and it is painful in



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Harries

A. Well, I think it is about one of the most excruciating pains a man could endure. It is really torture.

Q. Well, have you ever complained to the management about it? A. I have complained on numerous occasions.

Q. To whom? A. Well, specifically to the foreman.

Q. Who was the foreman? A. Well, I worked for different foremen.

Q. Tell me any foreman you have complained to? A. Mr. Lepage, Mr. Coles, Mr. Douglas and the nurse.

Q. And the nurse; have you been given any treatment for it? A. Well, for a period of about a week I would say, the nurse used me as a guinea pig, if you can use that expression. She told me she had been to see a specialist at Montreal and he had prepared a lotion that could be used in an effort to cut out the sore eye. She used numerous solutions and she asked me to give my impression of what effects they had in relieving the soreness. In some cases it aggravated it, especially the castor oil.

Q. The castor oil aggravated it? A. Yes.

Q. She put castor oil on your eyes? A. In the eye; that had been an old practice in the mill over a period of years, and also olive oil. We were advised to use poultices of tea-leaves and also bread and milk.

Q. By whom? A. By the nurse.

A. Well, I think it is about one of the most interesting things I have ever seen. It is really something that I have never seen before.

A. Well, I have never seen anything like this before. I have never seen anything like this before.

A. Well, I have never seen anything like this before. I have never seen anything like this before.

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A. Well, I have never seen anything like this before. I have never seen anything like this before.



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Harries.

The nurse also used that practically herself, the fresh tea-leaves poultice on the eye.

Q. Yes? A. We tried practically every remedy that could be -- or supposed remedy -- that could be had in the drug stores.

Q. Over what period were you treating your eyes in this way? A. Over a period of eight years, ever since I entered the plant.

Q. Were there any times it was more troublesome than others? A. It seemed to be more prevalent from the three to eleven shift.

Q. That is the afternoon shift? A. The afternoon shift.

Q. Now, would the air be changed in the room? A. To my knowledge there was no change of the air, but I think it was the action of the sun.

Q. The action of the sun made the acid evaporate more freely, or what do you think? A. No, the action of the direct sunlight might have some effect on the various chemical transformations, that is the only explanation I can give.

Q. You found it seemed to be more troublesome on the three to eleven shift? A. It was definitely more troublesome.

Q. Was there always a nurse on hand? A. A nurse from eight o'clock in the morning till five o'clock at night.

Q. Well, was there any other person there to do the work of the nurse after five o'clock at night?

A. Not in the surgery. There was first - aid men

the other also read that practically is said, the  
fresh tea leaves would be on the eye.

A. Yes? A. He tried to actually every remedy  
that would be -- or any other remedy -- but could not  
find it the same.

A. Over what period were you treating your eye  
in this way? A. Over a period of eight years, ever  
since I entered the blind.

A. Were there any times it was more troublesome  
than others? A. It seemed as if it was prevalent from  
the time to eleven o'clock.

A. Is the afternoon shift? A. The afternoon  
shift.

A. Now, would the air be changed in the room?  
A. No, because there was no change of the air,  
but I think it was the action of the sun.

A. The action of the sun was the only one  
more likely, or was it not? A. No, the action  
of the direct sunlight, it has been effect on the  
various chemical transformations, that is the only  
phenomenon I can give.

A. It would be assumed to be a transformation  
on the time to eleven o'clock? A. It was definitely  
more trouble.

A. Now, if it was a transformation, it was  
from light energy, it was the light energy which  
it was.

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from light energy, it was the light energy which  
it was.

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distributed throughout the various departments.

Q. Well, how many men would be affected by this?

5 A. Well, as a first-aid man over a period of five or six years, I would say I had given first aid treatment to hundreds of men.

Q. You did first-aid work? A. Yes, sir; on one occasion I counted 26 men out of roughly 50 men suffering with sore eyes at one period.

10 Q. Out of 50? A. Approximately 50.

Q. How long ago was that? A. About 12 months ago.

Q. Well, was there any change being made in the ventilating system of the plant at that time? A. Not at that particular time.

15 Q. Mr. Johnson explained this difficulty in his evidence that was read yesterday as being due to a change that had been made by putting a by-pass in while they were renovating the ventilating system.

20 A. Well, the fumes on that particular occasion were more prevalent than any other time in the plant.

Practically every man had sore yeyes.

Q. Every man was more or less affected while that change Mr. Johnson spoke about was being made?

25 A. Yes, sir.

Q. But you say that having regard to the time of day and sometimes the condition of the weather it had been prevalent at different times before and has been since? A. Practically all the time somebody is suffering from sore eyes.

30 THE COMMISSIONER: Unless we have some medical evidence about this I don't know that there is much

distributed throughout the various departments.

Well, how many men would be affected by this?

A. Well, as a first-aid man over a period of five or

six years, I would say I had given first aid treatment

to hundreds of men.

You did first-aid work? A. Yes, sir; on

one occasion I counted 25 men out of roughly 50 men

suffering with sore eyes at one period.

Out of 50? A. Approximately 50.

How long ago was that? A. About 18 months ago.

Well, was there any change being made in the

ventilating system of the plant at that time? A. Not

at that particular time.

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evidence that was read yesterday as being due to a

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while they were renovating the ventilating system.

Well, the times on that particular occasion were

more prevalent than any other time in the plant.

Well, every man had sore eyes.

Every man was more or less affected while

that change was being made, is that right?

A. Yes, sir.

But you say that having regard to the time

of day and sometimes the condition of the weather it

had been prevalent at different times before and has

been since? A. Practically all the time somebody

is suffering from sore eyes.

Well, I don't know that there is much

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I can do about it.

MR. McRUER: Well, a doctor from the Ontario Department of Labour, I think, came down here to make an investigation of it. I asked Mr. Marsh for his report. I had not got it up to the end of last week. I called Mr. Marsh on Saturday, but I was not able to get him in connection with it.

THE COMMISSIONER: We don't know what his report about it was.

MR. McRUER: Well, I know myself.

THE COMMISSIONER: Perhaps you had better get it.

MR. McRUER: I will have to get it. I know what Mr. Marsh told me it was, and I may say I had a letter from the Minister of Labour, Mr. Croll, in which he requested that I examine carefully into this when the Commission was here. He was anxious he should get all the evidence there was in connection with it. That is all.

BY MR. DIXON: Q. Mr. Harries, in the past eight years' how much time have you lost by reason of sore eyes? A. Well, on one occasion I lost a week. I had an injury to the eye but the doctor did not state definitely what had caused it. I was returned to work on the 7th day. During that day I was given no work to do whatsoever and an arrangement was made by the manager, or rather Mr. Linnett put me on light work until the eye healed, but on other occasions occasionally two days, possibly three days.

Q. How many of them? A. I cannot say definitely.

I can do about it.

department of labour, I think, came down here to make an investigation of it. I asked Mr. Marsh for his report. I had not got it up to the end of last week. I called Mr. Marsh on Saturday, but I was not able to get him in connection with it.

THE COMMISSIONER: We don't know what his report about it was.

MR. MARSH: Well, I know myself. THE COMMISSIONER: Perhaps you had better get it. MR. MARSH: I will have to get it. I know what

Mr. Marsh told me it was, and I may say I had a letter from the Minister of Labour, Mr. Groll, in which he requested that I examine carefully into this when the Commission was here. He was anxious he should get all

BY MR. DIXON: Mr. Harrison, in the past eight years, how much time have you lost by reason of some eyes? A. Well, on one occasion I lost a week. I had an injury to the eye but the doctor did not state definitely what had caused it. I was returned to work

manager, or rather Mr. Hinnett put me on light work until the eye healed, but on other occasions occasionally



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Harries

Q. Can you state a total time in the eight years that you have lost apart from this injury which took a week, and which I take it is not an injury caused by fumes.

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BY THE COMMISSIONER: Q. Well, the injury -- what was the injury? A. Well, the doctor said there was an ulcer on the ball of the eye. At the time I understood it to be just a sore eye affected by fumes.

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Q. By what? A. By fumes, because according to the pain, the pain was similar to ~~xxx~~ a sore eye affected by acid fumes.

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BY MR. DIXON: Q. In any event, that was not what the doctor said it was? A. The doctor would not state definitely what it was.

Q. He said it was an ulcer? A. The doctor stated it was an ulcer but he would not testify as to the cause.

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Q. Then, what is the total of your lost time? A. I would say approximately twenty days.

Q. Now, is that pretty well the average for the other employees in No. 2 spinning? A. Well, I have not been working in No. 2 spinning for eight years.

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I worked in No. 1 and 2. Some men have lost a great deal more time than that. Some men have left the department for that reason.

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Q. And the ones that have not left have lost more time than that? A. It applies differently in different cases.

Q. I am asking you whether that is a fact? A. I have no authority to state they were out with





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Harries

sore eyes. They possibly left the mill with sore eyes and stayed out two days for other reasons, but they are losing a lot of time from sore eyes.

5 Q. Do you know of any cases where permanent injury has been done by these fumes? A. No, personally speaking, no.

. You don't know, in other words, personally or otherwise?

10 FRANK LOVE sworn.

EXAMINED BY MR. McRURR: Q. Mr. Love, were you employed at Courtaulds? A. No, sir.

15 Q. Pardon? A. No, sir.

. Where are you employed? A. I was employed as shop manager by the Gallinger Electric Sales on Pitt Street.

20 Q. Of which? A. The Gallinger Electric Sales on Pitt Street.

Q. You are not employed in Courtaulds? A. No, never have been.

Q. Never were employed in Courtaulds? A. No.

25 . What was this Electrical business that you were in? A. Well, it is Mr. Gallinger. I managed the electrical end of the business. Mr. Gallinger managed the sales' end.

30 Q. You took some active part in the organization of the union here? A. Yes, I was acquainted with several boys in the mill due to the nature of my work.

they are losing a lot of time from some eyes.

Q. Do you know of any cases where permanent

injury has been done by these films? A. No, per-

sonally speaking, no.

Q. You don't know, in other words, personally of

any cases.

THE END

Q. Now, Mr. Love, were you em-

ployed by the company at that time?

A. Yes, sir.

Q. Where were you employed? A. I was employed

as shop manager by the Collingwood Electric Works on

First Street.

Q. Now, when you were employed by the Collingwood Electric Works

on First Street.

Q. You are not employed in Collingwood? A. No.

Have you been?

A. I have been employed in Collingwood? A. No.

Q. What was this electrical business that you

were in? A. Well, it is Mr. Collingwood. I managed

the electrical end of the business. Mr. Collingwood

managed the other end.

Q. Now, of some service in the organization

of the Collingwood Electric Works, I was associated

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Love

They were beginning to organize and they knew I was a former trade unionist; I had often spoken of it.

Q. Of your activities as a trade unionist?

5 A. I was a former secretary of the International Brotherhood of Electrical Workers in Ottawa, and I was active in Toronto also.

10 Q. How long were you secretary of the International Brotherhood of Electrical Workers? A. Two years.

15 Q. What had you done before that? A. Well, I have at one time belonged to the Street Railwaymen's Union in Montreal during the war when I worked there. I also belonged to the Seamen's Union for a year when I was at sea.

20 Q. How did you come to get mixed up in the Textile Workers' Union? A. The men were inexperienced and they knew I was an experienced trade unionist and they asked me if I would show them how to set up a union. I said if they would call a sufficient number together to be representative we would set up a provisional committee to go ahead.

25 Q. When was that? A. It was around the beginning of July when they first called on me and I think it was about four days later when they brought about 65 men up. We set up the organization that night. We operated in the basement of a restaurant here where we did the recruiting. One of the members acted as recruiting officer. I went down at night and we held meetings with the executive and we discussed progress and so on.

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former trade unionist; I had often spoken of it.

.. Of your activities as a trade unionist?

A. I was a former secretary of the International  
Brotherhood of Electrical Workers in Ottawa, and I was  
active in Canada also.

.. How long were you secretary of the Interna-

tional Brotherhood of Electrical Workers? A. Two  
years.

.. What had you done before that? A. Well,

I have at one time belonged to the Street Railwaymen's  
Union in Montreal during the war when I worked there.  
I also belonged to the Women's Union for a year when  
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night and a held meetings with the executive



This went on for two weeks. One Thursday afternoon I was back in the shop. I was handed my cheque by Mr. Gallinger and he said he had received about ten complaints about me, about my union activities, and he specifically mentioned the silk mill and the paper mill who had complained.

Q. Were you trying to organize a union in the paper mill too? A. No.

. All right. A. The result was I was fired that afternoon without any notice although I had worked there for three years, and had been the only electrician he has ever employed and I had always managed for him. He did not say he had any complaints against my work.

Q. What did you do after that? A. That night I was taken on as organizer by the union.

THE COMMISSIONER: What union.

BY MR. McRUER: Q. What union was it? A. The Rayon Workers Industrial Union. It was not at that time affiliated.

. Was it your purpose as organizer to become affiliated with the United Textile Workers of America? A. It was always my idea. Every union I have belonged to has been affiliated with the American Federation of Labour.

Q. So that the name Rayon Workers Industrial Union was just a temporary name? A. No, every local chooses its own name and you affiliate under that name.

. The local chooses its own name and then you affiliate under that name and you are given a number.

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This went on for two weeks. One Thursday afternoon I was back in the shop. I was handed my cheque by Mr. Gellinger and he said he had received about ten complaints about me, about my union activities, and he a officially mentioned the silk mill and the power mill and complained.

... were you trying to organize a union in the paper mill too? A. No.

... All right. A. The result was I was fired.

that afternoon without any notice although I had worked there for three years, and had been the only electrician he has ever employed and I had always managed for him. He did not say he had any complaints against my work.

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THE COMMISSIONER: What union.

... A. The ... Union. It was not at that time.

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A. It was always my idea. Every union I have be-

longed to has been affiliated with the American

Federation of Labour.

... do that the same way you Textile Federation?

Union was just a temporary name. A. No, every local

chooses its own name and you affiliate under that

... The local chooses its own name and then you



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Love

A. Yes.

So that the procedure you were following was the ordinary procedure, was it, in organizing a local of the Union which is affiliated with the

A.F.A. A. Yes, that is the usual procedure.

All right, go on now and tell us your experience. I do not want too much detail of the organization of the union. We have heard that from Mr. Laverty?

A. I went on as paid organizer of the union. Then we came above ground and opened an office. Shortly after doing this one of our members was called down to the plant and asked if he was

BY THE COMMISSIONER: Q. What plant? A.

Courtaulds plant. And asked if he was the head of the union.

BY MR. MCGRUER: Q. Who was that member?

A. Jerry Reveille, asked if he was the head of it and he said no he was just one of the captains. They said they were not going to fire him over it or anything, and they were quite friendly about it, apparently, and he left. He went back to work that night as usual and there was no more talk about it.

The next run-in we had, we had set up shop committees in each department so that any minor differences that came up, instead of a man having an individual fight with the foreman, that would be taken up by the shop committee as organized representatives and eliminate these fights and try to smooth it out and prevent the man from being fired, and, if necessary, to stop the work to prevent that. This was working

Q. Yes.

was the ordinary procedure, was it, in organizing a local of the Union which is affiliated with the A.F.A. ? A. Yes, that is the usual procedure.

Q. All right, go on now and tell us your experience. I do not want too much detail of the organization of the Union. We have heard that from Mr. Laverly. A. I went on as a paid organizer of the Union. Then we came above ground and opened an office. Shortly after doing this one of our members was called down to the plant and asked if he was

Q. That plant ? A. That plant is the Ontario plant. And asked if he was the head of the Union.

BY MR. CROMBIE: Q. Who was that member?

A. Jerry Havelly, asked if he was the head of it and he said no he was just one of the captains. They said they were not going to fire him over it or anything, and they were quite friendly about it, apparently, and he left. He went back to work that night as usual and there was no more talk about it.

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Love

5 very well in the spinning room. The company was aware  
it was operating because many of our stewards had gone  
to the foreman and informed them they were the union  
representatives on that shift. We were doing the same  
thing with the girls. We set up a shop committee in  
the various reeling rooms. In No. 1 reeling room the  
vice-president of the union was loaded down with reels.  
She was given extra reels and she could not do them.  
10 She explained it to the forelady and she said she would  
have to try and do it anyway.

Q. We heard about that? A. You did not hear  
all the details. They came to me and complained about  
it and I said the best thing to do was in the morning  
15 not to start up those reels if she could not do them,  
tell the forelady she was not capable of doing the extra  
reels and the other girls in the department were sup-  
porting her. They did this to the extent that four  
members of the shop committee went to the foreman in  
20 that department, Mr. Simmons, I believe it is, and  
they were fired. They sought out Mr. Lavery and he  
went down to the office with them and they were rushed  
out of the office and the argument went on with Mr.  
Lavery but the girls were still fired.

25 Q. Did those girls go back to work later on?  
A. They went back about two days prior to the strike.

Q. Are they back to work now? A. No.

30 Q. The girls that went off at that time have  
never been taken back? A. No. I tried to get in  
touch with Mr. Lavery by phone. I called the mill  
and said it was the union that was calling and they

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Love

very well in the spinning room. The company was aware  
it was operating because many of our stewards had gone  
to the for men and informed them they were the union  
representatives on that shift. We were doing the same  
thing with the girls. We set up a shop committee in  
the various reeling rooms. In No. 1 reeling room the  
vice-president of the union was loaded down with reels  
she was given extra reels and she could not do them.

She explained it to the forelady and she said she would  
have to try and do it anyway.  
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touch with Mr. Laverly by phone. I called the mill

and said it was the union that was



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Love

refused to bring Mr. Lavery to the phone, said he could not come during working hours. I decided to wait till three o'clock until he got off before taking any further action but at a few minutes past twelve the girls sent word to me from No. 1 that they were striking at one o'clock in defense of those four girls. I consider it a dangerous move to allow those girls to strike alone so I went down to the gate at one o'clock and we pulled the three reeling rooms but we sent all the other departments in. Mr. Lavery told you he got in touch with Mr. Kenyon and the case was arbitrated and the girls went back to work two days prior to the strike. They are not back yet.

Q. How did all the employees come to go out? At first you intended it should be merely localized; you were not anxious to close the mill. How did it develop into a general strike at the mill? A. We had hoped to gain from small concessions sufficient to show the members the value of retaining a union without any strike, thinking that in this way they would be encouraged to build up a strong union. We opened negotiations with the company. Of course, I was not an employee there and was not a member of that committee. We sent an employees' committee in and Mr. Lavery was the head of it. They came back and of course I cannot give you verbatim what they did, but from the report we received, the impression they came back with was that Mr. Kenyon would recognize the union, that is, he would deal with it, recognize

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it to that extent. He made this proposition of the works' council, and as Mr. Lavery reported as he understood it they would recognize the union whether we accepted the works' council or not. We had a general meeting that night and the question came up whether we should adopt the works' council or affiliate to the United Textile Workers of America, and we affiliated to the United Textile Workers of America. As I understood the report of the committee, Mr. Kenyon was to get in touch with them the following day and arrange another meeting when they would report back. He did not do so, so I conferred with Mr. Lavery and said "Now, you will have to get in touch with them." It dragged over the week-end and the members were becoming restless wanting to know what was going to go on. Mr. Lavery went around the mill looking for Mr. Kenyon on Monday, that is, with the limited freedom at his disposal. He tried to get in touch with him and was unsuccessful. We conferred again on Monday afternoon, and Mr. Lavery was working from three to eleven that week and when he went back into the mill I understand he was successful in getting in touch with Mr. Kenyon. In the meantime the spinning departments had become restless and had been holding meetings, and this order came out about not discussing things in the mill. They would be fired if they talked about the union and so on in the mill, and they were in no humour to put up with that kind of treatment at that time. We discussed the matter and Mr. Lavery described the restlessness there and when they

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touch with Mr. Kenyon. It is interesting to note  
that the workers had become restless and had been holding  
meetings, and that when they were in the mill they  
talked about the union and so on in the mill, and they  
were in no hurry to get up with that kind of treat-

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found out they were not going to get anywhere, that negotiations were not going to be carried on why they just walked out and I was not aware of it until I came back from supper that night and found they were all out.

Q. You were not the one that caused the strike?

A. The strike was not caused, sir, it was provoked.

Q. It emanated sort of from within. They were not ordered out or anything like that? A. No.

Q. I suppose, as a matter of fact, with your experience with labour unions you are rather against a strike being called until the differences have been thoroughly discussed between the representatives of labour and the employers? A. A strike is always the last resort and it is not a good resort for a new union at all. We had been in fear of a strike being provoked and we had been very very cautious about it.

Q. You would rather not have had a strike?

A. Not this year, anyway.

Q. Until you got in a position --

A. To consolidate our position.

Q. -- to deal with the thing in a more orderly manner? A. Yes.

BY THE COMMISSIONER: Q. What is your present position? A. I am the organizer of the union.

Q. Of this Textile union? A. Yes, of the Rayon Workers.

BY MR. McRUER: Q. Now, we had Mr. Welch who gave evidence before us in Toronto. Mr. Welch has

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found out they were not going to get anywhere, that negotiations were not going to be carried on why they just walked out and I was not aware of it until I came back from supper that night and found they were all out.

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A. Not this year, anyway.

Q. Until you got in a position --  
A. To consolidate our position.  
Q. -- to deal with the thing in a more orderly manner? A. Yes.

Q. I am the organizer of the union.  
A. Or this textile union? A. Yes, of the rayon

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been making some efforts to organize unions in Toronto and one or two other places. It is the same Union as you represent ? A. No.

Q. The same union but not the same local?

5 A. I am employed by this local but he is employed by head office.

Q. You are employed by the local here ? A. Yes, I take no orders from head office, only from the local office.

10 Q. All right, is there anything else, Mr. Love ?

A. I would like to say something about the present situation.

Q. Yes? A. Speaking on the agreement; I do not want to go into the strike in detail. That is 15 past history now, and my arrest, and so on, but the present agreement we have was very loosely drawn up. It was both to the company's advantage and our advantage. We had both been weakened by the strike and both sides figured later on they would be able to 20 put it over each other, I guess, according to the strength. We have had many cases to fight. One of the cases that we have to fight at the present time is that the agreement was based on the mode of production existing at the time of the strike. All in- 25 creases and everything were based, except where specifically stated, like in the reeling room where there was a reduction in the amount of production, it was based on the normal amount of work that had been done prior to the strike. Now, while we were able to get 30 some of the girls in the processing department a four

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union as you represent? A. No.

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Q. Yes. A. Speak up on the statement; I do

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present situation is that we are now in a

position where both the company's advantage and our ad-

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Love

cent increase, that is, we raised the maximum level in that department by four cents, we find they have lost their increase by speeding up since they went back. Since there was nothing in the agreement to state how much work they had to do where they formerly operated one machine they are now operating one and a half, a fifty percent. increase. Also in this department a young lady whom we used as a stenographer, she had had some previous experience in that line -- we used her as a stenographer on the negotiating committee one time. We used her as a stenographer in our office during the strike although she had not been one of the active movers. She had this ability and we took advantage of it. She has been demoted since going back to work.

Q. What is her name? A. Miss Isabel McPhee.

Now, in the viscose department in the agreement it said that signority would count all other things being equal in cases of promotions. We found this has not counted at all. In the viscose department several of our members have been demoted and some have not been taken back at all. Some men who were formerly charge-hands are now just plain-hands. This is also the case in the spinning department. In the spinning department two of the charge-hands who were working at the time of the strike and whom the boys brought out with them had been demoted to ordinary spinners since going back to work. One of them, I believe, is a jet man or something. They had inquired about this of the foremen and had been told of the fact that they

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.. What is her name? A. Miss Isabel McPherson.

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set man or something. They had indicated about this

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walked out although they belonged to the mill and are paid by the hour and punch the clock as everybody else. The company, of course, will hold up the fact there was one man who also walked out and did not lose his job or was not demoted. The fact is that Mr. Lavery and Mr. Harries who testified here were both first jet men, senior jet men. They are not back to work yet, but the second jet men are back to work who make less money than they do.

Q. Just let us see the point there; Lavery and Harries were senior jet men. They got so much an hour?

A. 47½.

Q. 47½; how much an hour did the second jet men get? A. 45.

Q. And your suggestion is the second jet men have been taken back at 45 cents an hour and the more expensive men left off? A. Well, now the rate is 47 now.

Q. Well, if Harries and Lavery went back would they come back at 47 or an increase? A. 49½.

Q. So that although the rate has been nominally increased they are getting the same work done by the second jet men at the same price as they paid Lavery and Harries? A. Yes. Also in the agreement it states that there shall be one charge hand and one -- these technical terms in there get me confused -- one funnel setter for each gang. There are the two men, the jet man and acid man, I believe, and instead of having one of each, that is the charge hand and the

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Mr. Laverly who testified here were both first job  
men, senior job men. They are not back to work yet,  
but the second job men are back to work who make less  
than the first job men.  
Just let us see the point there; Laverly and  
Laverly were senior job men. They got as much an hour

as the first job men. How much an hour did the second job  
men get? A. 45.  
And your suggestion is the second job men have  
been taken back at 45 cents an hour and the more ex-  
pensive men left off? A. Well, now the rate is

45 cents, if Laverly and Laverly went back would  
they come back at 45 or an increase? A. 45.  
Now that although the rate has been nominally  
increased they are getting the same work done by the  
second job men at the same price as they paid Laverly

technical terms in there set me confused -- one  
tunnel settler for each gang. There are the two men,  
the jet man and sand man, I believe, and I heard of

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funnel setter to each shift as formerly they now have just two men for the two shifts. When we say "You have not got the required men, two men on this shift" they say "Well, count these two men". We say "You have not got the required men," and they also count these men on the other shift. They count them double. Now, something that was not covered here; Mr. Kenyon stated we had made an agreement ~~with~~ recently to take back those men who were left out. The way we made this agreement was that the workers committee called up Mr. Kenyon to discuss this matter. When they told him what it was about they said these were extra men and were not going back, they were not required in the mill.

Q. Which? A. Were not required, were extra men. There is a certain surplus in the mill that was always carried before in this sharing of the work. We went to the Department of Labour about this and Mr. Campbell, the Conciliation Officer, said it was absolutely contrary to the agreement. He said he understood that everybody was to go back with the exception of two or three whom the company had a personal grievance against. The result was before I got back from Ottawa the company had been in touch with the workers' committee and had arranged a meeting and since then they have taken back theoretically 20 men during the week, that is, 20 men the previous Monday and 21 this Monday, or 20 this Monday. In return they laid off 20 men. Now, this week we have been able to find the men that were laid off, but we can only find 13 that have been taken

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... In return they laid off 20 men. Now,  
... a week we have been able to find the men that were  
laid off, but we can only find 12 of them.

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Love

on. I am not saying the other seven were not taken on but we have not been able to trace them. It would be much more convenient for us if we were given a list of the men who would be off and those taken on. Then we could alleviate the feelings of our members and quieten a lot of this unrest.

Q. That is, if they would let the workers' committee know what is being done in that respect so that they might be able to judge whether the agreement is being lived up to, that is what we want, to be given the information, so as to know whether the company is living up to their part of the agreement?

A. Sure.

Q. Now, is there anything else? A. No, I think I have covered it.

THE COMMISSIONER: Mr. Dixon.

THE WITNESS: Oh, pardon me.

BY MR. McRUER: Q. Is there anything else you want? A. When I started I did not finish, it slipped my mind. What I wanted to say was that while a number of men have been taken back and we expect in the process of time that practically all of them will be taken back -- Mr. Kenyon stated so this morning, I believe -- we have some twelve or thirteen girls, about ten of whom were fairly active in the union, that is, if not so active in the strike at least did good work around the office or in our relief department or something, and no attempt has been made to assure work for these girls. There was no surplus work and these girls are evidently

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on but we have not been able to trace them. It would  
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of the men who would be off and those taken on. Then  
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be given the information, so as to know whether the  
company is living up to their part of the agreement.

.. Now, is there anything else? A. No, I  
think I have covered it.

THE CHAIRMAN: Mr. Dixon.

BY MR. BRIDLE: A. Is there anything else you  
want? A. When I started I did not finish, it  
slipped my mind. What I wanted to say was that while  
a number of men have been taken back and we expect  
in the process of time that practically all of them  
will be taken back -- Mr. Hanson stated so this  
morning, I believe -- we have some twelve or fifteen  
girls, a lot of whom were fairly active in the  
union, that is, it was no active in the sense of  
being in the union, but they were not active in the  
union, and so we have a  
relief department or something, and so we have  
needed to make work for these girls. There was  
no surplus work and they were not active in the union.



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Love

discriminated against because none of them have been taken back and I believe new girls have been taken into the mill who did not formerly work there.

5 BY MR. DIXON: Q. Mr. Love, why do you say "We" in all this discussion? A. Because I happen to be a worker.

Q. For whom? A. At the present time I am working for the Rayon Workers Industrial Union .

10 Q. Is that another body -- that is branch No. 2492 of the Textile Workers of America ? A. Yes.

Q. This Rayon Workers Union entered into no agreement whatever with Courtaulds, did they?

A. No; we had a lot of dealings with them though.

15 Q. They came to no agreement, verbally or otherwise, isn't that right? A. That is right.

Q. The people who finally came to an agreement with Courtaulds were not the Rayon Workers of America at Cornwall, were they? A. No.

20 Q. Now, then, will you tell me again the list of employments you have had say since the war, since 1920 ? A. Since the war?

25 Q. Yes, in a general way ? A. Immediately after the war I went to sea for a year as an ordinary seaman.

Q. What union were you a member of then? A. The Atlantic and Gulf Coast Seamen's Association .

30 Q. Is that an American association or British ? A. It is American; I was sailing in American ships. After that, I came back home here and worked on road work around here for a year or so. Later on --

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discontinued against because none of them have been  
taken back and I believe new wills have been taken  
into the will who did not formerly work there.

Q. Mr. Love, why do you say "no"  
to all this discussion? A. Because I prefer to be  
a lawyer.

Q. Then when? A. At the moment time I am  
in the court.

Q. Is it another day -- that is in front  
of the court? A. Yes.

Q. What is your opinion then, and what time do  
you think it will be? A. I think it will be  
in the afternoon.

Q. They were to be present, verbally or other-  
wise, isn't that right? A. That is right.

Q. The people who finally came to an agree-  
ment at court, were they? A. No.

Q. Now, then, will you tell me again the list  
of employees you have had say since the war, since  
1920? A. Since the war.

Q. Yes, and I am not sure? A. Immediately  
after the war I went to see Mr. Love and an other  
person.

Q. I am not sure you are sure of that? A. I  
am not sure.

Q. It is important; I am willing to hear and listen.  
Then that is some of the things that I am not sure of.



5 Q. Were you a member of a union then? A. There was no union. Later on I went to Winnipeg and worked on a power house project there at Grand Falls, Manitoba for a year. I came back to Shawinigan Falls and worked in the electric plant there, the power house, as an electrician.

Q. Did you become a member of a union then?

10 A. No, there was no union there. It is a town something like this, Fascist --

15 BY THE COMMISSIONER: Q. What is that you say,

a town like -- A. Something like Cornwall where they don't permit unions.

BY MR. DIXON: Q. What was the last word?

15 A. Sort of Fascist. I went from there to Three Rivers and worked for the Canadian Comstock Company and the International Paper mill as an electrician. When I finished that job I was transferred to Ottawa, a place near Ottawa called Gatineau. We lived in Ottawa and went to work at Gatineau on the bus. I became a member of the Electrical Workers Union there and became secretary and organizer. I went from there to Toronto and transferred to the local in Toronto. I worked in Toronto for a Canadian Comstock company and the Canadian Electric Company. 25 I came down here two years ago to take charge of the shop for Mr. Gallinger on Pitt Street.

Q. Those are your only activities since the war?

30 A. That is in a general way, working activities.

Q. When I am informed you were in Stratford for a time I am wrong there? A. No.

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have

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on a power house project there at Grand Falls, Mani-  
toba for a year. I came back to Newfoundland Falls and  
worked in the electric plant there, the power house,  
as an electrician.

Q. Did you become a member of a union then?

A. No, there was no union there. It is a town where  
nothing like this, I don't think --

Q. What is that you say?

A. Something like Cornwall where  
--

Q. What was the last word?

A. Sort of local. I went from there to three

others and worked for the Canadian Electric Company  
and the International Labor Mill as an electrician.

When I finished that job I was transferred to Ottawa,  
a place near Ottawa called Gatineau. He lived in

Ottawa and went to work at Gatineau on the bus.  
I became a member of the International Brotherhood of

Electricians and became secretary and organizer. I went  
from there to Toronto and transferred to the local

in Toronto. I worked in power for a while  
Canadian Electric Company and the Canadian Electric Company.

I came down here two years ago to take charge of the  
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Q. What were you doing in Stratford? A. I went to Stratford as a reporter during the strike. I was unemployed at the time.

Q. How long were you unemployed? A. I was unemployed over two years in Toronto.

Q. What was the date of the Stratford strike, about? A. I cannot tell you the date now; it would be about three years ago, just about this time, I think.

Q. You were in Stratford during the whole of that strike? A. No, not during the whole of the strike.

Q. For how long were you there? A. About three days.

Q. And what happened? A. Nothing happened while I was there particularly.

Q. Why did you leave? A. I had to come back in time to catch the press.

Q. You had nothing to do with the strike in Stratford? A. Nothing at all.

Q. You were not active in any way? A. No, sir.

Q. You were not turned out of Stratford? A. I certainly was not. Your lordship, is this relevant.

THE COMMISSIONER: Yes, that is right, he can ask you that.

THE WITNESS: This is merely implication; he knows perfectly well I was not turned out of Stratford.

THE COMMISSIONER: He said No and that is the end of it so far as I am concerned.

10016  
love

Q. What were you doing in Stratford?  
A. I was  
employed as a reporter during the strike. I was  
unemployed at the time.

Q. How long were you unemployed?  
A. I was

Q. What was the date of the Stratford strike?  
A. I cannot tell you the date now; it would  
be about three years ago, just about this time, I

think.

Q. You were in Stratford during the whole of  
that strike?  
A. No, not during the whole of the  
strike.

Q. How long were you there?  
A. About three

days.

Q. And what happened?  
A. Nothing happened while  
I was there particularly.

Q. Why did you leave?  
A. I had to come back  
in time to catch the train.

Q. You had nothing to do with the strike in  
Stratford?  
A. Nothing at all.

Q. You were not active in any way?  
A. No, sir.  
Q. You were not turned out of Stratford?  
A. I  
certainly was not. Your lordship, is this relevant.

THE COMMISSIONER: Yes, that is right, he can  
ask you that.

THE WITNESS: This is merely a question; he  
knows perfectly well I was not turned out of Strat-

THE COMMISSIONER: He said he was not turned out of Strat-



10017

Love

BY MR. DIXON: Q. It is not unfair to describe you as a professional organizer of trade unions, is it? A. I am proud <sup>to</sup> ~~as~~ boast of it, although that is not my profession, only for the moment.

5 . . Now, would it be unfair to go one step further and call you a maker of trouble in every industrial place you have ever gone to? A. It certainly would be.

10 . . Now, Mr. Love, the agreement which was finally signed on the 10th of September, had you negotiated that agreement? A. No.

15 Q. Who were the negotiators of the final agreement for the men? A. Mr. Blair, Mr. McCanse, Mr. McGlynn, Mr. Thomas and Miss Corriere. They kept whittling down the committee. Every time they called them back they would leave a couple more off, would not receive them.

20 Q. So you had nothing to do with the final agreement? A. No. Q. The people who negotiated that final agreement were they members of your union? A. Yes.

Q. They were not officials of the union? A. No.

Q. Who are the officials of your union now? A. Mr. Lavery is the president.

25 Q. Is he the president of 2499 or the Rayon Workers? A. It is the same thing. The Rayon Workers Industrial Union is a branch of the United Textile Workers of America and that branch is called 2499.

30 Q. It is one and the same thing? A. It is one and the same thing.

Q. We are not dealing with two bodies? A. There is only one union.

Q. It is not unfair to describe you as a professional organizer of trade unions, is it? A. I am proud of it, although that is not my profession, only for the moment.

Q. Now, would it be unfair to go one step further and call you a maker of trouble in every industrial place you have ever gone to? A. It certainly would. Now, Mr. Love, the agreement which was finally signed on the 10th of September, had you negotiated that agreement? A. No.

Q. Who were the negotiators of the final agreement for the men? A. Mr. Blair, Mr. McGowan, Mr. Whittling down the committee. Every time they called them back they would leave a couple more off, would not receive them.

Q. So you had nothing to do with the final agreement? A. No. The people who negotiated that final agreement were the members of your union? A. Yes. Q. They were not officials of the union? A. No. Q. Who are the officials of your union now? A. Mr. Love is the president.

Q. Is he the president of 2499 on the Bayview Workers? A. It is the same thing. The Bayview Workers Industrial Union is a branch of the United Textile Workers of America and that branch is called 2499. It is one and the same thing? A. It is one and the same thing.

Q. We are not dealing with two bodies? A. They



10018

Love

Q. Now, Mr. Lavery is the president ? A. And Mr. Blair is Vice-president. Mr. Wert is financial secretary, Miss McMillan is secretary and Mr. McGlynn is treasurer.

Q. What is your position? A. I am organizer.

Q. Are you paid? A. Yes.

Q. Tell me, did you ever go to Courtaulds mill?

A. No, the only time I was in the mill was when I went in on a negotiating committee.

Q. How far did you go in ? A. Just inside the door.

Q. You do not really know anything about the inside of that mill? A. I know more than you do, Mr. Dixon.

Q. That is all right, I am not backing my knowledge against anybody else's. Answer my question; you know very little about the inside of the mill ? A. I would not say that. I have been discussing it with the men for the past four months every day and I am beginning to understand quite a bit about the processes in there although I have never worked in there.

Q. A minute ago you said you had never been in it? A. Yes.

Q. Did you ever see a spinning machine? A. No.

Q. When you talk about the various matters you are talking hearsay ? A. Not entirely.

Q. How did you get knowledge directly ? A. Because these men have been hammering it into me for months, every day.

Q. Now, Mr. Inverly is the president? A. And  
secretary, Miss McMillan is secretary and Mr. McGowan  
is president.

Q. What is your position? A. I am organizer.  
Q. And you paid? A. Yes.

Q. Tell me, did you ever go to Comstock's mill?  
A. No, the only time I was in the mill was when I  
went in on a negotiating committee.

Q. How far did you go in? A. Just inside

Q. You do not really know anything about the  
inside of that mill? A. I know more than you do,  
Mr. Dixon.

Q. That is all right, I am not backing my  
knowledge against anybody else's. Answer my  
question: You know very little about the inside of  
the mill? A. I would not say that. I have been  
discussing it with the men for the past four months  
every day and I am beginning to understand quite a  
bit about the processes in there although I have

Q. A minute ago you said you had never been in  
the mill. Yes.

Q. When you talk about the various matters you  
are talking about, are you talking about the mill?

Q. How did you get knowledge directly? A. Be-  
cause these men have been hammering it into me for



10019

Love

Q. That is it, hammered it into you, hearsay?

A. Not hearsay.

Q. Did you acquire any of this knowledge from through your eyes? A. No.

Q. You acquired it through your ears? A. Through my brain.

Q. Through your ears; you have got to coordinate your ears a little bit with your brain, but you heard this? A. Heard and read it.

Q. Heard and read; that is all.

MARION GRIDLEY sworn.

EXAMINED BY MR. McRURER: Q. Mrs. Gridley, are you employed at Courtaulds? A. Yes, sir.

Q. In what capacity? A. As nurse, there.

Q. As a nurse? A. Yes.

Q. Are you a qualified nurse? A. I am not registered in Ontario.

Q. You have never been registered as a nurse? A. No.

Q. Have you ever trained in any hospital? A. Montreal General.

Q. Montreal General; you did not graduate? A. No.

Q. How long did you train there? A. About a year and a half.

Q. When did you enter the employ of Courtaulds? A. In July, 1933.

81001

4. Not necessary.

... Did you acquire any of this knowledge from the

...A ...

You have got to contribute

Your ears a little bit with your brain, but you see

11 boat bus btreen .A 9elot

He is not; but his brother.

.. 12 3 4 5 6 7 8 9 10 11 12

• Are you a certified tutor? A. I am not

Registered in Canada

1998

10-11-12

Yest and a half.

PI 66, 1951



10020

Gridley

Q. July, 1933; did you replace some one else that was a nurse there at that time? A. Yes, the previous nurse was ill.

Q. What was her name? A. Mrs. Miller.

Q. Does she live in Cornwall now? A. She did at that time, but she has since moved to England.

Q. Moved to England; well now, what are your duties as nurse there? A. Well, to take care of any of their accidents that happened in the mill as well as the trouble, if they care to come to me, that happen outside of the mill.

Q. Now, have you had complaints of employees suffering from sore eyes? A. Certainly, at times.

Q. You have? A. Yes.

Q. What is it they complained of, Mrs. Gridley?

A. Well, mostly the general opinion is that the fumes get them and their eye-lids and eye-balls become inflamed?

Q. Have you examined their eyes? A. Yes.

BY THE COMMISSIONER: Q. Did you say eye-brows?

A. Eye-balls.

Q. I thought you said eye-brows? A. I am sorry.

BY MR. McRUER: Q. Just tell us what the appearance is when you examine them? A. Well, they water quite profusely at times, and the eye-lids become inflamed. There are different stages of that.

Q. Different stages? A. I mean the different stages, perhaps, are not very clear. Sometimes some are a little bit worse than others. Of course, when

Q. Now, did you replace some one else  
that was a nurse there at that time? A. Yes, the  
previous nurse was ill.

Q. What was her name? A. Mrs. Miller.  
Q. Does she live in Cornwall now? A. She did  
at that time, but she has since moved to England.

Q. Moved to England; well now, what are your  
reasons for moving to England? A. Well, in the way of any  
of their accidents that happened in the mill as well  
as the trouble, if they care to come to me, that happens  
outside of the mill.

Q. Now, have you had complaints of employees  
suffering from sore eyes? A. Certainly, at times.  
Q. You have? A. Yes.

Q. Now, is it a common complaint? A. Certainly.  
Q. Well, mostly the general opinion is that the nurses  
get them and their eye-lids and eye-balls become in-

Q. Have you examined their eyes? A. Yes.  
Q. By the oculist? A. Did you say eye-brows?  
Q. Eye-balls.

Q. Did you say eye-brows? A. I am sorry  
I did not hear you. Q. What tell me what the up-  
percase is when you examine them? A. Well, they

water come probably at times, and the eye-lids become  
inflamed. There are different stages of that.

Q. Different stages? A. I mean the different  
stages, but no, not very often. Sometimes they  
are a little bit worse than others. Of course, when

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10021

Gridley

the eye becomes irritated there is a tendency to rub the eye and in doing that their hands are not clean, as is quite likely that it makes it worse.

5 Q. Would their hands have this acid on them at all, in handling the skeins? A. Well, I don't know exactly the workings; the only thing is when you are working around machinery in doing your daily work you cannot keep your hands as clean, probably, as would be necessary to touch the eye when  
10 it is not feeling very good.

Q. At any rate, it aggravates the eye in such a way that there is a tendency to rub it, anyway?

15 A. Well, we all do; when you have anything wrong with your eye --

Q. I am talking about these fumes. They seem to aggravate the eye? A. I have never been down around the fumes; I really cannot say.

20 Q. Well, from the complaints that you get from the employees? A. Yes.

25 Q. You have never been in that part of the mill? A. I go all through the mill, yes, but I have never to any extent bothered anybody passing through, and the atmospheric conditions seem to have a great deal to do with it.

30 Q. Tell us about that; do you get more complaints at certain times than others? A. Yes, when the atmosphere is very heavy I think you are apt to have more complaints.

Q. You get a sort of run on them when the atmosphere is heavy? A. Yes.

10021

Writley

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rub the eye and in doing that their hands are not  
clean, as is quite likely that it makes it worse.  
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at all, in handling the skins? A. Well, I don't  
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bably, as would be necessary to touch the eye when  
it is not feeling very good.

... at any rate, it aggravates the eye in such  
a way that there is a tendency to rub it, anyway?  
A. Well, we all do; when you have anything wrong  
with your eye --

... I am talking about these times. They seem  
to aggravate the eyes? A. I have never been down  
around the mill.

Well, from the complaints that you get  
from the employees? A. Yes.

... you have never been in that part of the  
mill? A. I go all through the mill, yes, but I  
have never to any extent bothered anybody passing  
through, and the atmospheric conditions seem to  
have a great deal to do with it.

... Tell us about that; do you get more con-  
ditions worse than elsewhere? A. Yes.

... the conditions in your mill? A. Yes, I think  
the conditions are worse than elsewhere.



10022

Gridley

Q. Has that been going on ever since you have been there? A. Yes, at intervals; it isn't steady, I don't get them all the time.

5 - Q. Is there any change. Is it about the same now as it was when you first went there, that is, these intervals? A. Yes, I should say so. I do not get very many of them except probably there is one period when we had our fume stack renovated or attended to.

10 Q. There were more at that time? A. There were more at that time.

THE COMMISSIONER: What is that?

MR. McRUER: When the fume stack was being renovated? A. They closed down one of the units at that time or two, I am not sure which.

15 Q. Well, how often do you get this, or to what extent do you get these complaints? We have had one witness, Mr. Harries that you treated; do you know him? A. Mr. Who?

20 Q. Harries, he is here? A. Yes, I know Mr. Harries.

25 Q. He says you treated him at times and that you tried some different lotions on his eyes? A. As I recall -- I would not like to say positively off-hand -- I can recall only one time that I treated Mr. Harries but I would not like to say that as being the positive truth, because it is very hard, you have so many people going through your hands that it is rather difficult.

30 Q. To tell who is who? A. Well, all the people over a period of months or years.

Q. Has that been going on ever since you have  
been there? A. Yes, at intervals; it isn't steady  
I don't get them all the time.

Q. Is there any change. Is it about the same  
now as it was when you first went there, that is, at  
intervals? A. Yes, I should say so. I do not get  
very many of them except probably there is one or two  
when we had our time stick removed or attended to.  
There were more at that time? A. There

Q. When the time stick was being removed  
A. They closed down one of the units at  
that time or two, I am not sure which.

Q. Well, how often do you get this, or to what  
extent do you get these complaints? We have had a  
little, Mr. Harries that you treated; do you know  
him? A. Mr. who?

Q. Harries, he is here? A. Yes, I know Mr.  
Harries.

Q. He says you treated him at times and that you  
tried some different lotions on his eyes? A. As I  
recall -- I would not like to say positively off-  
I can recall only one time that I treated Mr. Harries  
but I would not like to say that as being the pos-  
sible truth, because it is very hard, you have so  
many people going through your hands that it is im-



10023

Gridley

Q. Now, did you get some different lotions, or different prescriptions from any one for the eyes?

5 A. I have tried at different times to try different things, yes, to see which would be more beneficial to their relief.

Q. Have you spoken to the doctor about it? A. Yes.

10 Q. What did he say about it? A. He seems to think that probably fresh air and the application of cold and washing with boracic acid seems to be --

THE COMMISSIONER: Q. Who was the doctor?

A. Doctor Mack.

15 BY MR. McRUER: Q. Dr. Mack, I have sent for him? A. I believe at some time he has given a prescription which I don't know the contents of.

Q. It was suggested you had got some prescription from a specialist; do you know if that is a fact?

THE COMMISSIONER: A specialist in Montreal.

20 BY MR. McRUER: Q. A specialist in Montreal?

A. No, I have had no prescription from a specialist; I have tried different things at different times to relieve the eye strain.

25 Q. You tried different things at different times but that was your own experimentation? A. Yes, sir.

Q. Well now, take a heavy day when the atmosphere is heavy, will you get a number of people that will come to you with this complaint? A. I don't think I have ever had more than three in a day.

30 Q. Not more than three? A. Possibly four, that have come to me for treatment.

Q. That have come to you for treatment?

Q. Now, did you get some different lotions, or  
different prescriptions from any one for the eyes?

A. Yes, I got some from the doctor about it. Yes.  
Q. What did he say about it? A. He seems to  
think that probably fresh air and the application of  
cold and washing with boracic acid seems to be --

THE COMMISSIONER: Q. Who was the doctor?  
A. Doctor Mack.

Q. I believe at some time he has given a  
prescription which I don't know the contents of.

THE COMMISSIONER: A. A specialist in Montreal?  
By Mr. Mack: A. A specialist in Montreal?

A. No, I have had no prescription from a specialist;  
I have tried different things at the "Eye Hospital" to  
relieve the eye strain.

Q. Well now, take a heavy day when the season  
is heavy, will you not take a heavy day when the season  
is heavy?

A. Not more than three? A. Possibly four, that  
have come to me for treatment.



10024

Gridley

A. All except the time we had that very bad condition when the fumes stack was being repaired.

Q. How bad was that condition? A. I might have had as many as six or eight. That is just off-hand; I would not like to say positively.

Q. That is all. My lord, I am going to start another subject matter now.

THE COMMISSIONER: Would you like a brief spell?

MR. McRUER: Yes.

-- The Commission adjourned for a short recess.

Page 10025 follows

1. All except the time we had that very bad condition  
and the time we had that very bad condition.

2. How bad was that condition? A. I might say  
bad as many as six or eight. That is just off-hand.  
I would not like to say positively.

3. That is all. My lord, I am going to state  
another subject matter now.

THE COMMISSIONER: Would you like a brief reply?  
Mr. McLELLAN: Yes.

— The Commission adjourned for a short recess.

Page 10085 follows

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10025

Gridley

MARION GRIDLEY, recalled,

EXAMINED BY MR. McRUER:

5 Q. Mrs. Gridley, have you had complaints from the employees about a rash on their hands, which was due to an acid? A. Yes, sir.

Q. You have had that complaint? A. Yes, sir.

Q. What is the nature of the rash, Mrs. Gridley?

A. Well, just as if the skin becomes inflamed.

10 Q. Yes? A. It is very sore and itchy.

Q. Very sore and itchy? A. More itchy than sore.

15 Q. And has that condition prevailed since you have been there; it is not among all the employees, but just this one and that one? A. Yes.

Q. Does it seem to be worse at some periods than others? A. No. Perhaps I should not have said "periods" I have had the occasional different ones.

20 Q. And do some people seem to be more susceptible to it than others, or is it occupational, depending on where they work? A. I think it is more the people who have their hands in water considerably.

25 There are one or two different departments, - one department probably in each unit, unless that has been changed, where they have their hands in the winter under the jets.

Q. Where they have their hands under the jets?

30 A. Yes.

Q. Would it be due to the water? A. I think

Q. You have had that complaint?  
A. Yes, sir.  
Q. What is the nature of the complaint, Mrs. Griffith?  
A. Well, just as if the skin becomes inflamed.  
Q. Yes?  
A. It is very sore and itchy.  
Q. Very sore and itchy?  
A. More itchy than  
sore.  
Q. And has that condition prevailed since you have  
seen there; it is not among all the employees, but  
just this one and that one?  
A. Yes.  
Q. Does it seem to be worse at some periods than  
others?  
A. No. Perhaps I should not have said  
others.  
Q. And do some people seem to be more susceptible  
than others, or is it occupational, depending on  
where they work?  
A. I think it is more the  
people who have their hands in water considerably.  
There are one or two different departments, - one  
department probably in each unit, unless that has  
been changed, where they have their hands in the water  
under the jets.  
Q. Where they have their hands under the jets?  
A. Yes.

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20  
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probably it may have something to do with it; a little of the stuff that gets on the jets gets on their hands and it mostly comes in winter. I think it is because their hands are in water, subject to climatic conditions; it has the tendency to aggravate it; it would be worse in the cooler weather.

Q. But you do not attribute the rash to the water? altogether; you say the water aggravates it?

A. Well, certainly it is their occupation, that makes it that way.

MR. McRUER: All right, thank you, Mrs. Gridley.

--

WILLIAM J. KENYON, Recalled,

EXAMINED BY MR. McRUER:

Q. I think, Mr. Kenyon, it has been suggested that in regard to those girls whose wages were increased 4 cents an hour, they have been given additional duties, since the increase in the wages. What do you say as to that? A. Although they have had extra work on their machines, they have been relieved of other duties.

Q. Yes? A. The shop has been re-organized.

Q. The shop has been re-organized? A. Yes?

Q. What has the net result been, that you get more work done for the money that is paid than you did before?

A. Yes, but not per individual.

probably it may have something to do with it; a little  
of the stuff that gets on the jets gets on their hands  
and it really comes in winter. I think it is because  
their hands are in water, subject to climatic conditions  
it has the tendency to aggravate it; it would be worse  
in the cooler weather.

But you do not attribute the rash to the water  
altogether; you say the water aggravates it?  
A. Well, certainly it is their occupation, that makes  
it that way.  
MR. ROBERT: All right, thank you, Mrs. Stirling.

...  
...  
... I think, Mr. Kenyon, it has been suggested that  
in regard to those girls whose rashes were increased  
4 cents an hour, they have been given additional  
since the increase in the wages. What do you say  
as to that?  
A. Although they have not given  
work on their part, they have been relieved of  
other duties.

... Yes?  
A. The shop has been re-organized.  
... The shop has been re-organized.  
...  
...



THE COMMISSIONER: You mean by the shop?

MR. McRUER: Yes, my lord.

Q. In the reorganization, that you get more work done by the shop? A. By the shop as a whole, yes.

5 Q. As a whole? A. Yes.

Q. So that there has been what is ordinarily termed a stretch-out? A. Well, I would not put it that way.

10 THE COMMISSIONER: That is a term used in America.

BY MR. McRUER: Q. That is a common term in Textile industries. A. I do not understand what you mean by a term like that.

15 Q. Well, a stretch-out is getting more work done for the same amount of money than before? A. Possibly, but we are paying them a great deal more money, are we not?

20 Q. But my question to you was, is it a fact, that although there have been those increases there has been more work done as a whole for the same amount of money? A. By the reorganization, yes.

RE-EXAMINATION BY MR. DIXON:

25 Q. Just to carry that out and try to make it a little clearer, Mr. Kenyon, the statement that was made was that although a certain number of boards, - the production of the boards had been reduced yet the  
30 reeling had been speeded up to such an extent that a girl had to produce as much as she did before?

THE COMMISSIONER: You mean by the shop?

MR. MONTGOMERY: Yes, sir.

Q. In the case of the shop, is it a shop?

A. By the shop as a whole, yes.

Q. As a whole?

A. So that there has been that is ordinarily known

as a station-out. Well, I would not put it that

MR. MONTGOMERY: That is a term used in America.

MR. MONTGOMERY: That is a common term in

Textile industries. I do not understand what

you mean by a term like that.

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but we are paying them a great deal more money, are we

not?

A. But my question to you was, is it a fact, that

although there have been those increases there has

been more work done as a whole for the same amount of

money.

MR. MONTGOMERY: Yes, sir.

A. Just to try that out and try to make it a

little clearer, Mr. MONTGOMERY, the statement that was

made was that although a certain number of workers

had been increased in the number of workers, the

total had been increased to such an extent that a

firm had to produce as much as the old factory?



A. Mr. McRuer's remarks did not apply to reeling.

Q. Processing? A. Processing, yes.

Q. I am sorry; that the three-cent increase that  
was given through the levelling of the processing  
department with the reeling department, has been off-  
set by a speeding up of the machines? A. To a  
small extent.

Q. Now, as I understand it, at one time the girls  
working at processing had to carry the yarn to their  
machines? A. That is so.

Q. And I understand that that duty has been taken  
away from them? A. Yes.

Q. Have there been any other changes made?

A. They neither have to fetch their own yarn or bobbins  
and they are relieved of the duty of taking away  
their finished product.

Q. That is done by other employees now? A. Yes, sir,  
that is done by other employees now.

--

BRINLEY TAYLOR Recalled,

EXAMINED BY MR. McRUER:

THE COMMISSIONER: You are already sworn, Mr. Taylor?

THE WITNESS: Yes, my lord.

BY MR. McRUER: Q. Mr. Taylor, you are in charge  
of sales for Courtaulds Limited? A. That is correct,  
Mr. McRuer.

A. Mr. Taylor's remarks did not apply to reeling.

Q. I am sorry; that the three-cent increase that

was given through the leveling of the processing

department with the reeling department, has been offset

not by a speeding up of the machines? A. To a

small extent.

Q. Now, as I understand it, at one time the girls

working at processing had to carry the yarn to their

machines? A. That is so.

Q. And I understand that that duty has been taken

away from them? A. Yes.

Q. They neither have to fetch their own yarn or bobbin

and they are relieved of the duty of taking away

their finished product.

Q. That is done by other employees now? A. Yes, sir.

Q. That is done by other employees now.

REELING DEPARTMENT

BY MR. TAYLOR:

THE COURT: You are already sworn, Mr. Taylor.

Q. Yes, my lord.

BY MR. TAYLOR: Mr. Taylor, you are in charge

of sales for Court Line Limited? A. That is correct.

BY MR. TAYLOR:



10029

Taylor

Q. And I want to file some statements of sales that have been prepared. The first is a statement of sales, in Canada, from June, 1925, to July, 1930.

5 THE COMMISSIONER: A statement of sales in Canada only?

MR. Meruer: Yes, my lord.

THE COMMISSIONER: What are the dates?

MR. McRUER: June, 1925, to July, 1930.

Q. That is one that was supplied by you to the Government? A. That is correct.

10 THE COMMISSIONER: Well now, this will be Exhibit 731.

EXHIBIT 731: Statement of sales, in Canada, from June 1925 to July, 1930.

15 BY MR. McRUER: Q. And, as part of the same Exhibit, my lord, a statement of sales from the 1st of July, 1930, to the 31st of December, 1935.

THE WITNESS: From the 1st of January.

20 MR. McRUER: Yes, from the 1st of January, 1930.

THE COMMISSIONER: Just give me those dates again, Mr. McRuér.

25 MR. MCRUER: From the 1st of January, 1930, to the 31st of December, 1935, my lord. It is by months, so that we have the complete picture.

THE COMMISSIONER: All right, Mr. McRuér.

30 BY MR. McRUER: Q. Of course, this appears to be sales and not deliveries. Is that correct? A. Those are sales; they are representing deliveries for each month, as shown down there.

price to eliminate gross profit of about 10%.

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BY THE COMMISSIONER: Q. You say they represent deliveries? A. They represent deliveries. Those are actual deliveries during those periods.

5 BY MR. McRUER: Q. They are deliveries? A. Yes, they are deliveries.

Q. For instance, there may be orders in December that are not included? A. That is right.

10 MR. McRUER: It shows something, my lord, of the growth of the rayon business in Canada.

In 1925, which was only part of a year - they commence in June, 1925, - the total sales were 412,588 pounds, and the average price per pound was \$1.41.

15 This must be something like the good old days that Mr. Johnson was talking about in his evidence.

In 1926, the sales were 1,269,392 pounds.

THE COMMISSIONER: That is for the whole year?

20 MR. McRUER: That is for the whole year, my lord, 1,369,392 pounds, and the average price per pound was \$1.43.

In 1927, the sales were 2,187,413 pounds, and the average price was \$1.25.

25 In 1928, the sales were 2,206,050 pounds, and the average price was \$1.24.

In 1929, the sales were 2,755,529 pounds, and the average price was 91 cents per pound.

30 77 In 1930, the sales were 3,650,537 pounds, and the

are actual deliveries during those periods.

they are deliveries.

For instance, there may be orders in December

that are not included? A. That is right.

It shows something, my lord, of the

growth of the rayon business in Canada.

In 1925, which was only part of a year - they

commenced in June, 1925, - the total sales were

412,348 pounds, and the average price per pound was

This must be something like the good old days

that Mr. Johnson was talking about in his evidence.

In 1925, the sales were 1,349,393 pounds.

The total sales for the whole year

1925, my lord, is for the whole year, my lord.

1,349,393 pounds, and the average price per pound was

In 1927, the sales were 2,187,415 pounds, and the

In 1928, the sales were 2,300,000 pounds, and the

In 1929, the sales were 2,755,230 pounds, and the



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average price was 77.5/8 cents per pound.

In 1931, sales were 3,795,889 pounds, and the  
average price was 78.89 cents per pound.

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TOTAL

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average price was 77.5 cents per pound.  
in 1881, sales were 3,735,000 pounds, and the  
average price was 76.5 cents per pound.

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In 1932 - 4,239,053 pounds, average price 75.16 cents a pound.

In 1933 - 5,679,022 pounds, average price 74.06 cents a pound.

In 1934 - 6,421,382 pounds, an average price of 70.95 cents a pound.

In 1935, - 8,423,520 pounds, an average price of 65.36 cents a pound.

THE COMMISSIONER: I thought the price was down to 57.

MR. McRUER: These are average prices. There is a variety of denier and the average denier changes. For instance, in 1935 the average denier was 134.80. Whereas in 1931 the average denier was 161.65, which was the particular denier we were dealing with at that time, which was 150 I think, which sold at 57 cents.

Q. That is correct? A. That is the figure to-day, 57 cents.

THE COMMISSIONER: Q. 1936? A. Yes, 1936.

MR. McRUER: Q. Then you have prepared another table which gives the purchasers of the various mills by months for years 1935,-1936? A. Those are weaving customers only.

Q. Oh, you have knitting? A. We have knitting customers, we have smallware manufacturers.

THE COMMISSIONER: Please repeat that question.

MR. McRUER: This is statement of the sales to weaving customers for the years 1935 and 1936.

In 1932 - 4,239,088 pounds, average price 75.16 cents

In 1933 - 5,679,082 pounds, average price 74.08

cents a pound.

In 1934 - 6,421,382 pounds, an average price of

70.35 cents a pound.

In 1935 - 8,423,520 pounds, an average price of

65.86 cents a pound.

THE COMMISSIONER: I thought the price was down

to 57.

MR. MORLEY: These are average prices. There

is a variety of dealer and the average dealer charges.

For instance, in 1935 the average dealer was 154.80.

Whereas in 1931 the average dealer was 161.65, which

was the particular dealer we were dealing with at that

time, which was 150 I think, which sold at 57 cents.

A. That is the figure

to-day, 57 cents.

THE COMMISSIONER: O. 1936? A. Yes, 513.80.

table which gives the purchasers of the various mills

by months for years 1935-1936? A. Those are

weaving customers only.

A. Oh, you have knitting?

Knitting customers, we have smallware manufacturers.

MR. MORLEY: This is taken out of the sales to

weaving customers for the years 1935 and 1936.



THE COMMISSIONER: As taken out of these other sales.

MR. McRuer: Yes, my lord. It is by month, 1935-1936.

THE COMMISSIONER: Who do they sell to besides weavers?

THE WITNESS: Knitters, underwear manufacturers, hosiery manufacturers, smallware such as sewing thread, shoe laces, suspenders, suspender manufacturers, garter manufacturers, &c. But the weaving industry took in 1935 approximately 67½ % of our total yarn sold, delivered.

EXHIBIT 732: Statement of Sales to Weaving Customers, 1935-1936.

MR. McRuer: Q. Now, there are some other extraordinary things present themselves in this statement to me. I do not know whether you can help me at all. Some companies appear to be very considerably over their purchasers of 1935 and some are under. Do you know of any reason for that or are they local?

A. Well, if you showed me the customers I can probably explain it.

Q. Well, for instance, Canadian Cottons in the month of August for this year purchased 61,678 pounds. These are in pounds, are they?

A. Yes.

Q. And the month of August last year was 40,741 pounds?

A. Well, that is largely due to style trends, so happens that Canadian Cottons this

Taylor 10053

THE COMMISSIONER: As taken out of these other

sales.

MR. McNEER: Yes, my lord. It is by month, 1933-

1934.

THE COMMISSIONER: Who do they sell to besides

weavers?

MR. McNEER: Well, they sell to the

hosiery manufacturers, smallware such as sewing

machines, and so on, but the weaving industry

took in 1933 approximately 57% of our total yarn

sales.

EXHIBIT 783: Statement of sales to weaving  
customers, 1933-1934.

MR. McNEER: Now, there are some other extra-

ordinary things present themselves in this statement

to me. I do not know whether you can help me at all.

Some companies appear to be very considerably over

their purchases of 1933 and some are under. Do you

know of any reason for that or are they local?

A. Well, if you showed me the customers I can probably

explain it.

A. Well, for instance, Canadian Cottons in the

month of August for this year purchased 51,500 pounds.

These are in pounds, are they?

A. Yes.

A. And the month of August last year was 43,741

pounds? A. Well, that is largely due to  
style trends, so happens that Canadian Cottons this



year are perhaps getting a larger share of the market's business than they did last year.

Q. That is just a guess? A. No, it is not a guess. That is a fact. I mean there are certain types of fabrics which are being manufactured much more than another particular type of manufacture.

Q. Now, Canadian Cottons do their business at Milltown? A. Yes, sir.

Q. All their rayon business is done at Milltown? A. We delivered it all to Milltown.

Q. And that is the Mill that we had some correspondence about in the Spring that they were contemplating closing. So that apparently in the month of August this year they took from you 21,000 pounds more than they did in the month of August last year? A. That is correct.

Q. Then we come down to September ---

THE COMMISSIONER: That is New Brunswick, is not it?

MR. McRuer: Yes, my lord.

Q. We come down to September and drops off sharply. All shown here is 7,500 pounds? A. Well, we were not permitted to send yarn out at that time?

Q. That is due to the strike? A. Strike conditions.

Q. Now, in regard to these mills that are shown on this statement there may be orders on hand that are not yet delivered? A. Oh, yes.

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year are perhaps getting a larger share of the market  
business than they did last year.

Q. That is just a guess? A. No, it is not a

guess. That is a fact. I mean there are certain

types of fabrics which are being manufactured much

more than another particular type of manufactures.

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Milltown? A. Yes, sir.

Q. All their rayon business is done at Milltown?

A. We delivered it all to Milltown.

.. And that is the Mill that we had some corres-

pondence about in the spring that they were

contemplating closing. So that apparently in the

month of August this year they took from you 21,000

yards of material they did in the month of August

year? A. That is correct.

.. Then we come down to September ---

THE COMMISSIONER: That is New Brunswick, is not

Mr. Robert: Yes, my lord.

.. We come down to September and drop off sharply.

we were not permitted to send yarn out at that time?

Q. That is due to the strikes? A. Yes.

.. Now, in regard to these mills that are shown

this statement there may be orders on hand that

not yet delivered



Q. Take the Binz Company, August seems to have been a big month for them. They took 55,500 pounds from you this year, 42,568 pounds last year?

5 A. That particular concern were using a higher percentage of rayon this year than they were last year. They used both silk and rayon and are using a higher percentage of rayon this year.

10 Q. There was a change in the tariff in rayon yarns last spring? A. That is correct.

Q. In the budget last year? A. Yes.

15 X Q. Have you experienced competition from English manufacturers now? A. Not to any appreciable extent.

Q. So that if these mills ---

THE COMMISSIONER: You say "Have you experienced competition" - do you mean more competition than formerly?

20 MR. McRUEL: Q. You had no competition before?

25 A. As a matter of fact, my lord, you will see in imports of yarn from the United Kingdom this year, during the past two months, very substantial quantities which we had to bring out to keep the local mills in operation due to the fact we were closed down for seven weeks.

Q. Oh yes, that is a different thing? A. That is a different thing.

30 THE COMMISSIONER: Your question had to do with competition?

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Taylor

Q. Take the Hinz Company, August seems to have  
been a big month for them. They took 55,300 pounds  
from you this year, 45,568 pounds last year?  
A. That particular concern were using a higher per-  
centage of rayon this year. They used both silk and rayon and are using a higher  
percentage of rayon this year.  
Q. There was a change in the tariff in rayon yarns  
last spring? A. That is correct.  
Q. Have you experienced competition from  
English manufacturers now? A. Not to any appreciable  
extent.  
Q. The Commission: You say "have you experienced  
competition" - do you mean more competition than  
formerly?  
A. As a matter of fact, my lord, you will see in  
imports of yarn from the United Kingdom this year,  
during the past two months, very substantial quantities  
which we had to bring out to keep the local mills  
in operation due to the fact we were closed down for  
seven weeks.  
Q. Oh yes, that is a little bit true?  
A. That is correct.  
THE COMMISSIONER: Your question had to do with

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MR. McRUER: Q. My question was directed towards competition. You are able to hold your own in the Canadian Market against British manufacture?

5 A. Well, there is one concern, British Bemberg, they have increased their sales in this country, I should say, by 300 or 400% - I am not sure of that figure.

10 Q. I would like to know what their sales were before. These 100% increases do not amount to much, if they show 10 pounds before and sell 100 pounds now.

Q. Is Bemberg the same product as yours?

15 A. No, it is synthetic. It is made from cellulose.

Q. It is an acetate yarn? A. No, cupramonium yarn.

Q. What do they make it out of? A. Out of cotton linters,

20 Q. It is made from cotton linters and acetate yarn is made from cotton linters? A. So is viscose at times.

Q. I thought always made from pulp? A. Made from cotton linters and also wood pulp.

25 Q. But it is a viscose process? A. Viscose process.

Q. Well, have you experienced competition from acetate yarns imported from England? A. Yes.

30 Q. So that some acetate yarns are getting in? A. Yes.

Q. And it was a fact that before the reduction

MR. MORRIS: 3. My question was directed

towards competition. You are able to hold your own

in the market against British manufacturers?

A. Well, there is one concern, British Bemberg,

they have increased their sales in this country, I

should say, by 300 or 400% - I am not sure of that

figure.

Q. I would like to know how much sales you have

made this year as compared with last year, is that

show 10 pounds before and sell 100 pounds now.

Q. Is Bemberg the same product as yours?

A. No, it is not the same.

Q. It is an acetate yarn?

A. No, rayon.

Q. What do they make it out of?

A. Out of cotton lint.

Q. Is it made from cotton lint and acetate yarn?

A. So is viscose.

at times.

Q. I thought it was made from pulp?

A. Made from cotton lint and also wood pulp.

Q. But it is a viscose process?

A. Viscose process.

Q. Well, have you experienced competition from

acetate yarns imported from England?

A. Yes.

Q. So that some acetate yarns are getting in?

A. Yes.

Q. And it is not a fact that



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Taylor

in tariff the weavers could not get acetate yarn when they wanted them? A. I would not say that.

Q. Well, that is what they say? A. Well, we carried about 50,000 or 60,000 pounds in stock at Cornwall of English acetate yarns and nobody wanted to buy it.

Q. Because there was a tariff on it and they could not buy it economically? A. I was offered in this market at approximately prices at which they had to pay for it in the States.

THE COMMISSIONER: Q. You mean they were getting it in the States? A. No, sir. A manufacturer of a similar product had to pay the same price for acetate yarns in the States as we were offering this in Canada.

MR. McRUER: Q. Did you bring it over from the States? A. No, we brought it from England.

Q. Imported it here? A. Yes, sir.

Q. From your Company in England? A. Yes, sir.

Q. And paid the duty on it? A. Yes.

Q. And then you were prepared to sell it to the trade here at the same price as they could sell it to the Trade in the States? A. Yes.

Q. But they did not want to buy it at that price. Evidently they could not compete with Canadian celanese if they paid you that price - that was the difficulty, was not it? A. I would not like to qualify that statement.

in tariff the weavers could not get acetate yarn who  
they wanted them? A. I would not say that.

Well, that is what they say? A. Well,  
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wanted to buy it.

Because there was a tariff on it and they could  
not buy it economically? A. I was offered in  
this market at approximately prices at which they  
had to pay for it in the States.

THE COMMISSIONER: Q. You mean they were getting  
it in the States? A. No, sir. A manufacturer  
of a similar product had to pay the same price for  
acetate yarns in the States as we were offering this  
in Canada.

MR. McHUGH: Q. Did you bring it over from the  
States? A. No, we brought it from England.

Imported it here? A. Yes, sir.  
And paid the duty on it? A. Yes.

And then you were prepared to sell it to the  
trade here at the same price as they could sell it to  
the trade in the States? A. Yes.

But they did not want to buy it at that price.  
Evidently they could not compete with Canadian colons  
if they paid you that price - that was the difficulty.  
A. I would not like to qualify  
was not it?



10038

Taylor

Q. They are in the business and wanted the yarn because they are buying it now? A. Yes, buying it now.

THE COMMISSIONER: Q. They are buying it from whom?

5 A. From Hart or British Cellulose Acetate Company and buying it from Courtaulds, buy it from us.

Q. Not buying it from Drummondville? A. I do not think Drummondville has any surplus to sell.

10 MR. McRUER: Q. They did not try to sell it down there. I have a statement of what they sold to the public down there. They are not too generous with their yarns. Have Courtaulds (Canada) any arrangement or tacit agreement or understanding with the Celanese

15 Company Limited? A. None whatever.

Q. That Celanese will not sell yarn to the trade here and leave the yarn business to Courtaulds in Canada? A. None whatever.

20 Q. They do what they do in regard to quotations of prices of yarns of their own will, no arrangement with Courtaulds? A. None at all, never have.

25 Q. Now, take the Valleyfield Silk Mills. In September last year they bought 11,350 pounds and this year 18,017 pounds. Now, although the strike was on here you evidently got out a good delivery to Valleyfield? A. Yes, we happened to have that particular yarn in stock as soon as yarn became free.

30 Q. So that these deliveries in August and September maybe affected by the fact that you did not have

10033 Taylor

Q. They are in the business and wanted the yarn because they are buying it now? A. Yes, buying it from the commission. Q. They are buying it from the commission and buying it from Courtland, buy it from me. A. I do not think Brunswickville has any supplies to sell. MR. McBRIDE: A. They did not try to sell it down there. I have a statement of what they sold to the public down there. They are not too generous with their statement or understanding with the business. Q. That business will not sell yarn to the trade here and leave the yarn business to Courtland in Canada? A. None whatever. Q. They do what they do in regard to questions of prices of yarn of their own will, no arrangement with Courtland? A. None at all, never have. Q. Now, take the Valleyfield Mill. In September last year they bought 11,380 pounds and this year 18,017 pounds. Now, although the strike was on here you evidently got out a good delivery to Valleyfield? A. Yes, we happened to have that particular yarn in stock as soon as yarn became free. Q. So that these deliveries in August and

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certain lines in stock due to the strike? A. Yes.

Q. And some lines you had them in stock and able to keep up your deliveries? A. Yes, as soon as yarn was released.

5 Q. So that so far as this statement goes for the months of August and September the strike enters into and we probably cannot compare those months with other months very well? A. No.

10 Q. What are the red figures on this. I do not quite understand why some figures in this statement are in red. Do not have debit account of more returns than you sold? A. That may have been yarn returned.

15 Q. Take for instance, this one, there is 6000 there, 4950 in red. I want to know what those are. A. Well, The Canadian T.S.R. was taken over by another concern and they asked us to take return of the yarn.

20 Silks Limited are a Japanese organization and they had quite a lot of yarn on hand in December and asked us to take it back which we did, as soon as convenient to ship to somebody else.

Q. And then they started buying from you again?

25 A. Yes, they started buying again.

Q. Well now, there are some matters of sales profits I want to run over with you. I took them up with Mr. Johnson ---

30 MR. DIXON: I think if I may be permitted to explain this to the Commission. Our Secretary-

Taylor 10000

Q. And some lines you had them in stock and certain lines in stock due to the strike?  
A. Yes, as soon as yarn was released.

Q. So that so far as this statement goes for the months of August and September, the strike was not a very well?  
A. No.

Q. What are the red figures on this?  
A. I do not know. I do not know why some figures is this at all. Do not have debit account of more returns in red. Then you sold? That may have been yarn returned.

Q. Take for instance, this one, there is 5000 there, 4500 in red. I want to know what those are.  
A. Well, The Canadian T.S.R. was taken over by another concern and they asked us to take return of the yarn.

Q. Sinks Limited are a Japanese organization and they had quite a lot of yarn on hand in December and asked us to take it back which we did, as soon as convenient.

Q. And then they started buying from you again?  
A. Yes, they started buying again.

Q. Tell me, there are some matters of sales?  
A. I took them up with Mr. Johnson.

Q. Mr. Johnson, I think if I may be permitted to ask this to the Commission.



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Mr Taylor

Treasurer, my lord, is sick in bed. He will be available on Friday. Mr. Taylor is the Sales Manager and he is not at all intimately familiar with the finances. As far as fying that statement Mr. McRuer has in his hands, of course no objection, but for anything like a detailed examination I would ask the Commission to wait until Mr. Jones is available.

THE COMMISSIONER: What about that?

MR. McRUER: I don't mind when I get it in.

THE COMMISSIONER: No use going over the same ground twice. If this witness can only give it incompletely you will have to go all over it again. Of course, if it should happen that Mr. Jones cannot come on Friday we will have to proceed with somebody else, so that somebody else ought to be prepared to give us the information.

MR. DIXON: Well, we will try to do that.

MR. McRUER: Q. On the question of sales who fixes the price that you should sell the yarn at - how is that fixed? A. Generally it is fixed at the Board meeting. As far as our standard quality yarns are concerned, that is, first quality yarn is fixed on my recommendation and it is accepted by the Board of Directors, and the other quality, the inferior grades, it is left to my discretion to get the prices I think the market can pay.

THE COMMISSIONER: You are given a free hand?

MR. McRUER: Q. In fixing the price of yarn

Treasurer, my lord, is sick in bed. He will be  
available on Friday. Mr. Taylor is the sales manager  
and he is not at all intimately familiar with the  
finances. As far as fixing that statement Mr. Taylor  
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anything like a detailed examination I should see the  
Commissioner to wait until Mr. Jones is available.

THE COMMISSIONER: What about that?

MR. MURPHY: I don't mind when I get it in.

THE COMMISSIONER: No use going over the same

ground twice. If this witness can only give us

incompletely you will have to go all over it again.

Of course, if it should happen that Mr. Jones cannot

come on Friday we will have to proceed with somebody

else, so that somebody else ought to be prepared to

give us the information.

MR. SIKON: Well, we will try to do that.

MR. MURPHY: I am not sure that we can do that.

THE COMMISSIONER: I am not sure that we can do that.

A. Generally it is fixed at the

board meeting. As far as our standard quality

values are concerned, that is, first quality yarn is

fixed on my recommendation and it is accepted by the

board of directors, and the other quality, the

inferior grades, it is left to my discretion to set

the prices. I am not sure that we can do that.

THE COMMISSIONER: I am not sure that we can do that.



you do not base it on the cost of production?

A. Certainly.

Q. You base your price on the cost of production?

5 A. Cost of production is always discussed the time we are fixing on the yarn prices.

Q. You may discuss cost of production but your price is not based on the cost of production?

A. Yes.

10 Q. Because if it is I am going to invite you to explain the variations in price that have taken place, if it is based on the cost of production, because your price has varied at times - where it is 57 now, the average price has been as high as 1.41?

15 A. Yes.

Q. And it is now 57? A. Yes.

Q. Now, the cost of production has not varied to that extent? A. I cannot speak for the period before 1928 because I was not a director of this Canadian Company - I beg your pardon, 1932. I was not a director of the Canadian company and I was not conversant at that time with the cost of production. Since I became a director the cost of the yarn has certainly had a bearing on the price that was fixed.

25 Q. It may have a bearing in the sense that you did not go below the cost of production but you do not regulate your price according to the cost of production. Your price is regulated by the price that yarn can be imported in over the tariff and sold against you?

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Taylor

Q. You do not base it on the cost of production?

A. Certainly.

Q. You base your price on the cost of production?

A. Cost of production is always changing the price

we are fixing on the year prices.

Q. You may discuss cost of production but your

price is not based on the cost of production?

A. Yes.

Q. Because if it is I am going to advise you to

explain the variations in price that have taken place,

if it is based on the cost of production, because

your price has varied at times - where it is 37 now,

the average price has been as high as 1.41?

A. Yes.

Q. And it is now 37?

A. Yes.

Q. Now, the cost of production has not varied

to that extent? A. I cannot speak for the period

between 1900 and 1901, but I am a director of this company

company - I beg your pardon, 1902. I was not a

director of the Canadian company and I was not conversant

at that time with the cost of production. Since I

became a director the cost of the year has averaged

had a bearing on the price that was fixed.

Q. Now, you are talking in the sense that you are

not so below the cost of production but you do not

base your price on the cost of production?

A. Yes, it is based on the price that year

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Taylor,

A. Oh no.

Q. What other regulating feature is there? A.  
Market conditions.

5 Q. How is the market condition governed except  
by the price that yarn can be imported at? A.  
The price at which Celanese can sell fabric at.

Q. Well, they don't sell yarn? A. They sell  
fabric.

10 Q. Well, the fabric is not sold as comparable  
and in competition with the rayon fabric. You know  
perfectly well that Celanese fabric is a fabric that  
other uses are put to other than the rayon fabric?  
15 It takes dye differently, does not it? A. It  
does, yes.

Q. And there are some dyes it won't take at  
all? A. Yes.

20 Q. Now, I am getting back to what determines  
your price? A. I still stick to the  
statement that the price at which Celanese sell the  
fabrics at has a good deal to do with determining  
the price which we can get for our yarns in this  
25 market.

Q. Therefore, if Celanese, being the only Company  
manufacturing acetate yarns and cloth, keep their price  
up you keep yours up? A. Yes, I suppose so, but  
those are not the facts.

30 Q. They do not keep it up? A. The prices  
of fabric have come down in the past three years.

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Student



Q. Oh yes, but they have come down the world over - that is a fact? A. That is a fact.

5 Q. I want to deal with some correspondence you have had with the Government on this subject and in view of the fact that Mr. Linnett is unfortunately ill I will have to deal through you, Mr. Taylor, anyway. Were you connected with the Company in 1930?  
A. Yes, sir.

10 Q. I show you a copy of the letter - I think Mr. Dixon has a complete copy probably of all these letters - copy of a letter from Mr. Linnett to the Honourable Mr. E.B. Ryckman, dated September 10th, 1930.

15 EXHIBIT 733: Copy of letter from Mr. Linnett to Hon. E.B. Ryckman, Minister of National Revenue, dated Sept. 10, 1930.

" With reference to the recent application by Courtaulds (Canada) Ltd., for an increase in tariff on importations of Rayon yarn, we respectfully submit to you, in the event of your deciding to grant such increase as we ask, we would definitely guarantee:

25 (1) that we would not increase our prices above our present price list of June 1st. This is 90¢ a pound for 150 denier 1st. quality (which is the standard count) with prices for other counts in proportion. In explanation we would say we are selling the same count today for 75¢ because of  
30 huge importations offered considerably under this

... on yes, but they have come down the world

over - that is a fact?

A. That is a fact.

I want to deal with some correspondence you

have had with the Government on this subject and

in view of the fact that Mr. Bennett is unfortunate

ill I will have to deal through you, Mr. Taylor,

are you connected with the Company in London?

A. Yes, sir.

I show you a copy of the letter - I believe Mr.

Alison has a complete copy probably of all these letters

copy of a letter from Mr. Bennett to the Honorable

Mr. Bennett, dated September 19th, 1930.

Copy of letter from Mr. Bennett  
to Mr. Taylor, Minister  
of National Revenue, dated Sept.  
10, 1930.

with reference to the recent application

by Guaranties (Guarantee) Ltd., for an increase

in tariff on importations of rayon yarn.

We respectfully submit to you, in the event

of your deciding to grant such increase as we ask,

(1) that we would not increase our prices above

a point for 100 cent per lb. purity (which

is the standard count) with prices for other counts

in proportion. In explanation we would say we



figure, but we, bu doing so, are losing at least 5¢ a pound on every pound of yarn we sell.

(2) That we would take care of any increase in trade which might come to us through an increase in tariff, i.e. extend our present plant if necessary.

(3) If plant extension should be necessary and increasing production reduce cost, we would pass on this reduction to our clients, our effort being only to get a fair return on the capital invested."

Now, do you say that it was a fact that your Company was losing 5 cents on every pound of yarn you sold at 75¢ a pound? A. In the various returns that we made to the Commission, Mr. McKuer, I think you will find that we reduced our price on the 1st of June, as Mr. Linnett said, to 75 cents. It is a mistake in that letter, it should be before June 1st. Our price was made 75¢ on June 1st. In the returns that we made to you you will find that the average price obtained on the yarn sold for the six months ending November 30th was 74.3 cents per pound less 2½% trade discount. You will also find in the returns that our average cost price during that period was about 73.8 cents per pound.

Q. Then this statement is not true? A. That letter had to be made in a big hurry without any available figures.

...that we would take care of any increase in price which might come to us through an increase in tariff, i.e. extent our present price is \$1.00.

(2) If plant extension should be necessary and increasing production reduce cost, we would pass on this reduction to our clients, our effort being only to get a fair return on the capital invested.

Now, do you say that it was a fact that your Company was losing 3 cents on every pound of yarn you sold at 75¢ a pound? In the various returns that we made to the Commission, Mr. McNair, I think you will find that we received our price on the lot of yarn, as Mr. Bennett said, 75 cents. It is a mistake in that letter, it should be before the fact our price was made 75¢ on the lot.

In the returns that we made to you you will find that the average price obtained on the yarn sold for the six months ending November 30th was 74.3 cents per pound less 1% trade discount. You will also find in the return that our average cost price during that period was about 73.3 cents per pound.

Then this statement is not true? A. That is correct.

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10045

Taylor

Q. You see, you do not say that in this letter. When you are writing to the Government asking them for a tariff and asking them to act on it you do not say - we are writing you a letter in a big hurry giving you information that may not be reliable. Here is what you say, you give a positive guarantee:

"1. that we would not increase our prices above our present price list of June 1st. This is 90¢ a pound for 150 denier 1st quality (which is the standard count) with prices for other counts in proportion. In explanation we would say we are selling the same count today for 75¢ because of huge importations offered considerably under this figure, but we, by doing so, are losing at least 5 cents a pound on every pound of yarn we sell."

Now, that is a very definite statement that is made to the Government and asking them to act in your behalf and if, I may say, levy a tax on the whole of the people of Canada. You admit now that when you make up the statement that goes to Mr. Howson that this is not true, that you are not losing 5 cents a pound on every pound you sell? A. It is not very far out.

Q. Well, it is just that far out that instead of losing you are making money? A. Mr. Linnett was given an hour in which to write that letter and return it to the party to which it is addressed.





10046

Taylor

Q. Then am I to understand that Courtaulds, Limited, was asking the Government to increase the tariff on yarns on the information that was given, gathered in the course of an hour, which you must admit is not true? A. No, I am stating that that letter was written. We had filed a complete brief, the date of that letter.

Q. The letter is very positive and it was on the verge of action by Parliament, a special session of Parliament, and I just want to see how you are dealing with the Government, and how frank you were. However, we have got the facts that instead of losing 5 cents a pound on yarn you were making? A. No, If you take the figures you will find that our selling price, the average selling price was 74.3 cents less  $2\frac{1}{2}\%$  discount. You will find in the figures returned to Mr. Howson that our costs at that time, including administration and selling expense, was 73.8.

Q. Your yarn did not go up. Has your Company been losing money ever since? A. No, we put our price up after 1st of December, 1930.

Q. We are coming to that. But your price came down again? A. Yes, they had come down steadily ever since that time.

✓ Q. Have you been losing money since? A. No, we reduced the cost of our production through our buying power, through the quantities of pulp that we used, through the quantity of chemicals we used.

limited, was asking the Government to increase the tariff on yarns on the information that was given.

Q. No, I am stating that the letter was written. We had filed a complete brief the date of that letter.

Q. The letter is very positive and it was on the verge of action by Parliament, a special session of Parliament, and I just want to see how you are dealing with the Government, and how frank you were. However, we have got threats that instead of losing I can a

A. No, if you a pound on yarn you were making? take the figures you will find that our selling price the average selling price was 74.3 cents last year.

Q. You will find in the figures returned to standardization and selling expense, was 75.8.

A. Your yarn did not go up. Has your company been losing money ever since? A. No, we put our price up after 1st of December, 1930.

Q. We are coming to that. But your price came down again? A. Yes, they had come down steadily ever since that time.

Q. Now you are losing money again? A. No, we reduced the cost of our production through our buying power, through the elimination of high time we



10047

Taylor

We consume three times the amount of raw materials.

Q. Well then, I have a letter - at least it is rather in the form of a memo. I think this might all go in as one exhibit. This is on Courtauld's letterhead. It is "Summary of Various Observations made during our Discussion on Monday, August 13th, 1930."

THE COMMISSIONER: Who were the discussions with?

MR. McIVER: That would be with the Government, I take it.

Q. By the way, just before I go to this, when you wrote the other letter you did not write anything to the Government about the enormous profit that Courtaulds had been making in the three years previous?

A. No, we considered the past three or four months the money we were just beginning to lose.

Q. You never lost money, did you? A. There was one man - Mr. Jones will tell you better on that, I understand one month ---

X Q. We are going to find out how much you made during a period of years. Do you expect the Government by tariff action to keep you up to a standard that you will always make money, that you do not have one weak spot? A. Yes, we only sell one product.

Q. Therefore you think the Government Tariff Action ought to be sufficient to assure you a profit at all times? A. Well, extraordinary conditions





10048

Taylor

out of it,

Q. So that the Government might as well guarantee your business and be done with it? A. No.

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Q. You are not satisfied to take the rate of interest on your investment of guaranteed bonds, are you? A. I prefer Mr. Jones to answer that question.

10

Q. Because I noticed your profits run up at times to 30 per cent. A. What <sup>be</sup> fore depreciation?

Q. As a government guaranteed business at 30 per cent. is rather a good one.

15

MR. DIXON: My lord, talking about profits of 30%, that is not fair.

MR. McRUER: Wherein is it unfair?

MR. DIXON: Because it is not a fact.

MR. McRUER: I am referring to what is said in Mr. Johnson's evidence.

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MR. DIXON: No, not at all, no such reference in Mr. Johnson's evidence.

MR. McRUER: Total net profits before depreciation.

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MR. DIXON: You are reading from something that is not in the record.

THE COMMISSIONER: If Mr. McRuer is referring to the evidence he is entitled to do that.

MR. DIXON: But he is not.

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THE COMMISSIONER: Get Mr. Johnson's evidence and we will see.

... so that the Government might as well guarantee  
your business and do some with it.

... You are not entitled to have the rate of  
interest on your investment of guaranteed bonds, are  
you?

... Because I noticed your practice run up at times  
to 50 per cent. A. What - for depreciation?

... as a Government guaranteed business at 20  
per cent. is rather a good one.

MR. DIXON: My lord, talking about profits  
of 50%, that is not fair.

MR. DIXON: Because it is not a fact.

MR. HENNER: I am referring to what is said in

Mr. Johnson's evidence.

MR. DIXON: No, not at all, no such reference

in Mr. Johnson's evidence.

... and that was not in any way

... and that was not in any way

... and that was not in any way

THE COURT: IT MR. HENNER is referring to

the evidence he is entitled to do that.

MR. DIXON: But he is not.

THE COURT: Get Mr. Johnson's evidence and

we will see.



10049

Taylor

MR. McRUER: This figure is in Mr. Johnson's evidence. I just want to show I am right to begin with. Mr. Johnson's evidence at the foot of page 8: "Q. Now, from the returns that you have made to our accountant, Mr. Howson, at least, that your Company has made to our accountant Mr. Howson, I see the total sales from 1926 to 1935 amounted to \$34,891,028.86. The total gross profit before depreciation amounted to \$11,756,557.50 or 33.69 per cent., and the total net profits before depreciation amounted to \$10,556,997.87 or 30.27 per cent. The total net profit after depreciation amounted to 17.22 per cent., and Mr. Howson advised me - no, I was going to say that in the depreciation was included an item for depreciation of good-will, but that was taken out of the surplus. Apparently the net profit has amounted to 17.22 per cent."

MR. DIXON: That is my submission, that when my friend asks the witness about profit was 30% he is talking about what our profits after depreciation. If he wants to say net profits before depreciation I am perfectly satisfied,

THE COMMISSIONER: The incident is cleared up. The profits are referred to three times, the net result is 17.22 per cent.

MR. McRUER: 17.22 per cent. after depreciation.

THE COMMISSIONER: Then if you want to question Mr. Taylor on that that will be your basis.

10043 Taylor

MR. MORRIS: This figure is in Mr. Johnson's evidence. I just want to show I am right to begin with. Mr. Johnson's evidence at the foot of page 8: "Now, from the returns that you have made to our accountants, Mr. Howson, at least, that your Company has made to our accountants Mr. Howson, I see the total sales from 1926 to 1928 amounted to \$34,831,038.86. The total gross profit before depreciation amounted to \$11,758,337.50 or 33.69 per cent., and the total net profits before depreciation amounted to \$10,266,927.87 or 30.37 per cent. The total net profit after depreciation amounted to 17.28 per cent., and Mr. Howson advised me - no, I was going to say that in the depreciation was included an item for depreciation of good-will, but that was taken out of the surplus. Apparently the net profit has amounted to 17.28 per cent."

MR. MORRIS: That is my submission, that when my friend asks the witness about profit was 30% he is talking about what our profits after depreciation. If he wants to say net profits before depreciation I am perfectly satisfied.

THE COMMISSIONER: The incident is cleared up. The profits are referred to three times; the net profit is 17.28 per cent.

MR. MORRIS: I am perfectly satisfied.

THE COMMISSIONER: Then if you want to question

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MR. McRUER: Q. You did not bring that to the attention of the Government, of course? A. No, we were selling yarn at less than cost at the time we were asked to prepare a brief.

5 Q. Well, selling yarn at less than cost at the time is that a truthful statement? A. Yes, selling yarn at less than cost.

10 THE COMMISSIONER: Q. What does the meaning of this trade discount you speak of? A.  $2\frac{1}{2}\%$  of 30 days payment.

15 Q. Was all your business --- A. On a 30-day basis, -in fact some clients paid us, 10 days with  $3\frac{1}{4}\%$  discount, extra  $\frac{1}{2}$  per cent.

20 MR. McRUER: In your costs at that time were you not including bond interest? Were you not including interest on stock? A. You will have to ask Mr. Jones that question, I was not on the Board.

25 Q. It comes to be a very important matter, if you are telling the Government you lose 5 cents on every pound of yarn you sell, a statement made like that baldly to the Government, becomes a very important matter whether you are actually losing it on the manufacture of yarn or you are losing that in not quite making your full interest on investment or making your interest on possibly some stock that does not represent cash investment.

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THE COMMISSIONER: Q. Did you say that Mr. Linnett





wrote that letter? A. Yes.

THE COMMISSIONER: He is the gentleman who is sick now?

MR. McRUER: He is very ill.

5 "(1) Courtaulds (Canada) Limited at the present time employ in round figures approximately

1000 employees, made up as 500 males, 500 females,

It has been our constant endeavour ever

10 since we located here to provide adequate recreat

facilities for employees, in the sense that

we have for the last three or four years

maintained tennis courts, football field, bowling

15 alleys, billiard table, library, etc. for use

of the employees. Further, we have in constant

operation a very large cafeteria which caters to

employees not only through the day time but

night time as well."

20 Now, how were these things maintained for the employe

tennis courts, foot ball fields, bowling alley, billia

table,? A. Well, as far as I know there is a small

subscription which does not cover the cost,

Q. What is the subscription from the employees?

25 A. I am sorry, I am a bad witness in this case,

I do not reside in Cornwall and I am not conversant

with the local activities to the same extent as

Mr. Jones or Mr. Linnett would be. They could tell

30 you exactly.

Q. Well now, I want to find out what the employees

THE COMPANY: LOUIS: He is the gentleman who is

sick now?

MR. MONTGOMERY: He is very ill.

"(1) Continental (Canada) Limited at the

1000 employees, made up of 500 males, 500 female

It has been our constant endeavour ever

since we located here to provide adequate rest

facilities for employees, in the sense that

we have for the last three or four years

maintained tennis courts, football field, bowling

alley, billiard room, library, etc., for the

of the employees. Further, we have in constant

operation a very large canteen which serves

employees not only through the day time but

night time as well."

Now, how were these things maintained for the employ

ment system, that was the main thing, and

table? A. Well, as far as I know there is a

subscription for the same that has been going

What is the subscription from the employees?

I am sorry, I am not clear in the same,

I do not reside in Cornwall and I am not conversant

with the local activities to the same extent as

but I am not conversant with the same.

THE WITNESS.



10052

Taylor

pay or if it is deducted from their pay or how these recreations that are mentioned in this letter -

for instance, the billiard table, has all employees access to billiard table because it must be a big table? A. You will have to ask Mr. Jones that

question.

Q. Because there is nothing in this letter about a subscription from the employees? A. I don't know

Q. It represents to the Government that all these enjoyments are provided for their employees. I would have thought, reading the letter, that the employees had all had a chance to play on the billiard table anyway.

THE COMMISSIONER: Does it mention the restaurant too?

MR. McRUER: Yes.

"Further, we have in constant operation a very large cafeteria which caters to the employees not only through the day time but night time as well."

There is a cafeteria? A. Yes.

Q. "(2) A check-up of our cost of raw materials discloses the fact that broadly speaking there has been no reduction in prices from the prices in vogue five years ago."

Was that a fact? A. Would you remind me of the date of that letter?

Q. This is a memo of a discussion that took

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... of the ... is ...  
... of the ... is ...

For instance, the billiard table, has all employees  
access to billiard table because it must be a big

table? A. You will have to ask Mr. Jones that  
question.

3. Because there is nothing in this letter about  
a subscription from the employees? A. I don't know.

4. It represents to the Government that all these  
enjoyments are provided for their employees. I would

have thought, reading the letter, that the employees  
had all had a chance to play on the billiard table

employees.  
The Government has to be satisfied with the

fact?  
Mr. WOODWARD: Yes.

Further, we have in some of our ... a very  
large cafeteria which caters to the employees

not only through the day time but night  
time as well.

...  
... Yes.

... (a) A check-up of our cost of raw materials  
discloses the fact that steadily spending there has

...  
... would you ...



place on August 18th, 1930? A. I could not say  
on that question. As I say, I was not a director  
at that time.

5 Q. "(3) Wages paid throughout the mill have  
in no single instance been reduced since  
we started here, if anything the general  
wage scale is higher."

Are you in a position to say that although wages may  
not have been reduced that duty had not been increased?

10 A. Would you repeat that?

Q. Are you in a position to say that although the  
wages, the rate per hour, may not have been reduced,  
that the duties had not been increased? A. August,  
15 1930? Yes, we were in a position.

Q. There had been no increase in duties?  
A. Not since we started operations.

Q. But increase in duties took place after August,  
20 1930? A. Yes, sir.

Q. So that when you got the increase in tariff  
and on the representations that you had not reduced  
your wages, you proceeded to increase the duty,  
make them work harder for what they were getting?

25 A. Not to my knowledge.

THE COMMISSIONER: You were talking of increase  
in duties. I suppose the gentleman ---

MR. McRUER: You mean customs duties. I mean  
30 duties by your employees? A. Even at that,  
not to my knowledge.

place on August 15th, 1907. A. I could not say  
on that question. As I say, I was not a director

in no single instance been reduced since  
the wages paid throughout the mill have

are you in a position to say that although wages may  
not have been reduced that duty had not been increased

Q. Would you repeat that?

Q. Are you in a position to say that although the  
wages, the rate per hour, may not have been reduced,  
that the duties had not been increased?

1907. Yes, we were in a position.

Q. There had been no increase in duties?

A. Not since we started operations.

Q. But increase in duties took place after August,

1907.

Q. So that when you got the increase in tariff  
and on the representations that you had not reduced

your wages, you proceeded to increase the duty,

make them work harder for what they were getting?

A. Not to my knowledge.

THE COMMISSIONER: You were talking of increase

in duties. I suppose the gentleman ---

duties by your employees? A. Even at that,

not to my knowledge.



Q. Have you since August 1930 increased the duties of the employees? That is, we have had some evidence of it to-day that there have been a readjustment and reorganization and that there is more work for the same amount of money? A. I believe the duties have been increased in some respects.

Q. I wonder how the mill justifies in increasing the duty on the employees after they got the tariffs that they asked for? A. I don't think the duties were increased for a very long time after the tariffs were increased.

Q. Even if some considerable time did elapse how did they justify putting more burden on the employees because in this, if I read this letter correctly, the whole matter that was being put before the Government was the advantages the employees were going to get from this increased tariff?

A. So they did.

Q. Well, they will probably speak for themselves, on that, but that is the idea that is being put forward. Now, one thing you apparently did was to stretch them out a bit? A. That is only very recently as far as I know.

Q. "(4) We would draw your attention to the fact that the duty on imported Rayon in the States is 45% with a minimum of 45¢, this, of course, meaning that if the imported value of the yarn is more than \$1.00 the duty payable

Q. Have you since August 1930 increased the duties

of the employees? That is, we have had some

evidence of it to-day that there have been a readjust-

ment and reorganization and that there is more work

for the same amount of money? A. I believe

the duties have been increased in some respects.

Q. I wonder how the mill justifies its increasing

the duty on the employees after they got the tariffs

that they asked for? A. I don't think the

duties were increased for a very long time after the

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how did they justify putting more burden on the

employees because in this, if I read this letter

correctly, the whole matter that was being put before

the Government was the advantages the employees were

going to get from this increased tariff?

A. So they did.

Q. Well, they will probably speak for themselves,

and that is the way it is in all these matters.

Now, are things you mentioned did was to stretch them

out a little? A. That is only very loosely as far

as I know.

Q. (a) We would draw your attention to the fact

that the duty on imported rayon is the same

as that on a minimum of 50¢, and, of

course, meaning that if the imported value of



is more than 45¢. Our request - bearing in mind the cost of production in this country is at least as high as that in the States, in all probability higher - is that we be granted a duty of 35% with a minimum of 28¢.

for

(5) We submit/your consideration the fact that having canvassed the bulk of the knitting trade, we could give a definite assertion that so far as the great bulk of them is concerned at least 90% are in favour of an increased tariff being granted to us.

At the present time with the cost of yarn as imported from other countries being sold at less than our cost price, it must of necessity mean that knitters have to make twice the garments for the same turn over that they had to make three or four years ago. We say emphatically that the knitters representing at least 90% of our trade are in favour of an increase in tariff for us.

(6) We also submit the fact that an analysis of our sales shows that 90% of our product is sold to the knitting trade and less than 10% to the weaving trade and we can only see a possibility of slight opposition from the weaving trade."

There evidently has been a change now in that respect, in the proportions that are sold to the knitting trade

is more than 40%. Our request - bearing in

mind the cost of production in this country is

at least as high as that in the states, in all

probability higher - is that we be granted

a duty of 30% with a minimum of 20%.

For

(5) We submit your consideration the fact

that having canvassed the bulk of the knitting

trade, we could give a definite assertion that

so far as the great bulk of them is concerned

at least 90% are in favour of an increased

tariff being granted to us.

At the present time with the cost of

raw materials from their countries being

sold at less than our cost price, it must of

necessity mean that knitters have to make

twice the garments for the same turn over that

they had to make three or four years ago. We say

emphatically that the knitters representing

at least 90% of our trade are in favour of an

increase in tariff for us.

(6) We also submit the fact that an analysis

of our sales shows that 90% of our product

is sold to the knitting trade and less than

10% to the weaving trade and we can only see a

possibility of slight opposition from the

weaving trade.

There is no doubt that the knitters are in a position to



and the weaving trade? A. Almost entirely.

THE COMMISSIONER: Q. What proportion now is sold to the knitting trade? A. In 1930 we were selling, as that letter states, 20% approximately to the knitting trade and less than 10% to the weaving trade. To-day we are selling 67% to the weaving trade, 27% to the knitting trade and the balance to sundries, various things you mentioned - hosiery ---

MR. McRUER: Will you tell me, please, are you selling more or less now to the knitting trade than you were before? These percentages after all are deceiving.

Are you maintaining your sales to the knitting trade and the sales to the weaving trade, on an increased market? A. Our poundage is down to the knitting trade but ---

Q. Over 1930? A. Yes. That, again, is accounted for by style. In 1930 probably one of the most popular priced ladies' garment, and the garment that practically every female wears, is the slip. In 1930 in the popular priced field - I am not talking about expenses pure dyed silk goods - we had the largest, our knitting customers have the largest proportion of that trade. To-day I do not suppose that the business that is done on slips of knitted fabric is more than 5% of the possible slip business done in Canada.

A. I suppose in comparing one year with another it is difficult to do so merely on figures because

and the weaving trade? A. Almost entirely.

THE COMMISSIONER: Q. What proportion now is sold to the knitting trade? A. In 1930 we were selling

as that letter states, 80% approximately to the knitting trade and less than 10% to the weaving trade. To-day we are selling 87% to the weaving trade, 87% to the knitting trade and the balance to sundries, various things you mentioned - mostly ---

Q. Now, will you tell me, how much more or less now to the knitting trade than you were before? Those percentages after all are deceiving, are you maintaining your sales to the knitting trade and the sales to the weaving trade, on an increased market? A. Our business is down to the knitting trade but ---

Q. Over 1930? A. Yes. That, again, is accounted for by style. In 1930 probably one of the most popular priced ladies' garment, and the garment that practically every female wears, is the slip.

In 1930 in the popular priced field - I am not talking about expensive pure dyed silk goods - we had the largest, our knitting customers have the largest proportion of that trade. To-day I do not suppose that the business that is done on slips of knitted fabric is more than 5% of the possible slip business done in Canada.

Q. I suppose in comparing one year with another it is difficult to do so merely on figures because



necessarily in this trade, there are a great many style fluctuations? A. Exactly.

5 Q. So that while the knitters may have it one year the weavers have it another and the knitters may bring out something else that is attractive in another year and the trade will fluctuate back and forth that way? A. To-day it would not fluctuate more than 10%, oh, 5% either way.

10 Q. Of course there has been a great deal of displacement of real silk by artificial silk in the last five years among the weavers? A. I think the actual consumption of real silk, the world's consumption of real silk, is down from its peak period between 15 and 20%.

15 Q. Now, is that due to inroads of artificial silk or due to world purchasing power or ---

A. Partially both.

20 Q. Well, this goes on after the observation of the percentages:

25 "With regard to this latter item we would emphasize the fact that Rayon is not a raw material in the same sense that raw cotton is, because before cellulose or pulp finally becomes Rayon it has passed through many many more processes than has raw cotton before it becomes a cotton thread."

30 I suppose there could be arguments presented on that both ways if you were going back to trade raw cotton

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Taylor

style fluctuations?

A. Exactly.

than 10% on, 5% either way.

Of course there has been a great deal of

displacement of real silk by artificial silk in the

consumption of real silk, is down from the percentage

between 15 and 20%.

Now, is that due to increase of artificial

silk or due to world processing power or ---

A. Partially both.

Q. Well, this goes on after the observation of

the percentages:

"With regard to this latter item we would

emphasize the fact that rayon is not a

raw material in the same sense that raw cotton

is, because before cellulose or pulp finally

becomes rayon it has passed through many

many more processes than raw cotton

before it becomes a cotton thread."

I suppose there could be significant processing on raw

and that if the raw cotton were to be processed



from the day it was planted in the ground, etc.  
as to whether there was much difference in the

processes that it will go through? A. I would

say as a generality that a cotton manufacturer turns  
over his capital quicker than a rayon yarn manufacturer  
does. That might be a fair barometer.

"(7) A glance at the wages paid in the various  
countries will show how low are wages in  
Italy and France, particularly the former where  
child labor in factories so far as females  
are concerned predominates.

The average cost of wages in England for  
1929 - 10.3 pence per lb. We therefore get as  
follows:

£10 in wages spent in England equals:

£6/3/0 in Calais,

£7/15/4 in Cologne,

£5/5/10 in Snia Group."

A. That is the Italian group.

Q. "£4/16/- in Varedo group,

£12/2/8 in Canada.

The above would be slightly affected by  
the variation in denier."

THE COMMISSIONER: Q. That is all taken by the  
rates of exchange at the time. That is, you are just  
translating pounds, shillings? A. Yes, those were  
taken at the current rate of exchange at that time.

from the day it was planted in the ground, etc.

as to whether there was such difference in the

proportion of the yield to the cost of the seed

and so on, it is not possible to say.

over his capital quicker than a very poor manufacturer

does. That might be a fair statement.

"(7) A glance at the wages paid in the various

countries will show how low the wages are in

Italy and France, particularly the former where

could labor in factories as far as technical

are concerned outstrips.

The average cost of labor in England for

1903 - 10.3 pence per lb. so therefore get as

follows:

210 in wages paid in England and Wales:

25/3/0 in Calais,

27/12/4 in Cologne,

24/12/4 in the Rhine.

1. Now in the French zone,

24/12/4 in the French zone,

24/12/4 in the French zone.

The above would be slightly affected by

the variation in currency.

THE COMPARISON. It is all shown by the

rates of exchange at the time. That is, you are just

comparing pounds, shillings? A. Yes, those were

the current rate of exchange at that time.



MR. McRUER: Q. As far as the pound was concerned it was at normal rate of exchange at that time?

A. Yes.

Q. Then a table was apparently enclosed which shows the production and the wages paid over that period of years.

THE COMMISSIONER: That is part of the same exhibit?

MR. McRUER: Yes.

Q. Now, it shows .3415 cents per pound for wages. Now, can you tell me what your wages amount to per pound to-day? A. Speaking from memory

I would say around 15 and 16 cents a pound. I think you should check that from the figures that we return. There is something wrong about that, what it is I don't know.

Q. Whatever is wrong about it it is 5 years too late in telling the Government? A. I think you will find that is 34 cents per pound, more like it.

Q. There is not very much difference between 34 and .3415? A. It is .3415 of a dollar really.

THE COMMISSIONER: How much do you say it is now?

A. About 15 and 17 cents.

Q. Less than half? A. Yes. Why I queried it was I thought it was one-third of a cent.

MR. McRUER: Q. Well, the analysis that Mr. Howson has got, you will be able to verify this statement from this?

A. Yes.

THE COMMISSIONER: That is part of the same exhibit?

It was at normal rate of exchange at that time?

A. Then a table was apparently enclosed which shows the production and the wages paid over that period of years.

THE COMMISSIONER: That is part of the same exhibit?

A. Now, it shows .3415 cents per pound for wages. Now, can you tell me what your wages amount to per pound to-day? A. Speaking from memory I would say around 15 and 15 cents a pound. I think you should check that from the figures that we return. There is something wrong about that. What it is

A. Whatever is wrong about it it is 3 years too late in telling the Government? A. I think

A. There is not very much difference between .3415 and .3415? A. It is .3415 of a dollar really.

THE COMMISSIONER: How much do you say it is now?

A. Less than half? A. Yes. Any I queried

it was I thought it was one-third of a cent.

MR. ROBERTSON: Well, the analysis that Mr.

Robinson has got, you will be able to verify this state-

ment from this



10060

Taylor

THE COMMISSIONER: Who will explain the discrepancy between the two years?

X MR. McRUER: Q. How do we arrive at it?

5 Here is the position - in 1930 you were getting protection for an industry that said that it was not going to sell at a higher rate than 90 cents a pound, that the wage content was 34.5 cents a pound or .3415 of a dollar, - that is a little over a third of  
10 a dollar, - but when you get the protection we find now that the wage content is down to 16 cents?

A. Around 16 cents. /

Q. Now, the investors of the Company have got  
15 the advantage of the difference, have not they?

A. No, I would not say that. The prices have come down.

Q. Prices have come down but if you have the tariff high enough you can maintain the price.

20 Probably your prices have not come down as much as they should have having regard to the way that the wages have come down. To say wages have come down is not putting it accurately? A. Wages have  
25 not come down.

THE COMMISSIONER: Q. Have they come down to that extent - 34 to 16, say, out of a dollar? A. There is an explanation. We were a very young industry in 1925.

30 MR. McRUER: Q. No, 1930 - this is average from 1925 to 1930? A. Well, 1925 to 1930.

THE COMMISSIONER: Who will explain the dis-

crepancy between the two years?

MR. MORRIS: A. How do we arrive at it?

Here is the position - in 1920 you were getting

protection for an industry that said that it was not

going to sell at a higher rate than 30 cents a pound,

that the wage content was 34.5 cents a pound or

.345 of a dollar, - that is a little over a third of

a dollar, - but when you get the protection we find

now that the wage content is down to 18 cents

A. Around 18 cents.

A. Now, the investors of the Company have got

the advantage of the difference, have not they?

A. No, I would not say that. The prices have

come down.

A. Price have come down but if you have the

tariff high enough you can maintain the price.

Probably your prices have not come down as much as

they should have having regard to the way that the

wages have come down. To say wages have come down

is not making it accurately? A. Wages have

not come down.

THE COMMISSIONER: A. Have they come down to that

extent - 34 to 18, say, out of a dollar? A. There

is an explanation. We were a very young industry

in 1920.

MR. MORRIS: A. No, 1920 - this is average from



THE COMMISSIONER: I thought this was a representation made to the Government in 1930 of what it was costing them and showing then the labour cost in the pound was 34 cents. That is why I said awhile ago was it true - at the time the representation was made was it true, was the labour 34?

A. Yes, to the best of my knowledge.

Q. So that any improvement in machinery that you referred to to explain a drop to 15 or 16 cents must have occurred since 1930, not since 1925?

A. Well, it would be going down all the time.

I think if you worked out percentage of those figures over individual years ---

A. Looks like a tremendous drop to me from 1930 to now, 34 to 16 cents?

A. I think you will find that is comparable with the same drop of labour in other countries.

MR. McRUER: Q. Well, we can take it as this:

That while the cost of the labour content has dropped from 34 cents to 16 cents, the yarn has not dropped anything like that percentage? A. No, unfortunately your capital charges do not drop.

Q. Now, to begin with, this company is wholly owned company, it is owned entirely by the English Company? A. Yes.

Q. The Canadian investor has no interest in this Company whatever? A. No, sir, but---

Q. So any profit that is made as between the

Taylor  
1861

Q. Now, I thought this was a representation made to the Government in 1880 of what it was doing then and the Government said that is why I said in the pound was 34 cents.

A. Yes, to the best of my knowledge.  
Q. So that any improvement in machinery that you referred to to explain a drop to 15 or 16 cents must have occurred since 1880, not since 1885?

A. Well, it would be going down all the time. I think if you worked out percentages of those figures over individual years ---

Q. Looks like a tremendous drop to me from 1880 to now, 34 to 15 cents? I think you will find that is comparable with the same drop of labour in other countries.

MR. MORRIS: Q. Well, we can take it as this: That while the cost of the labour content has dropped from 34 cents to 15 cents, the yarn has not dropped anything like that percentage?

A. No, not so. Immediately your capital charges do not drop.

A. Now, to begin with, this company is wholly owned company, it is owned entirely by the English

Q. The Canadian investor has no interest in this



labour, the net profit anyway, the 17% of sales,  
goes entirely to the benefit of the English Company?

5 A. No, sir, to the investors of the English Company  
but there are substantial blocks of the English  
stock held in this country. There are fairly  
substantial blocks of the English Company held  
in this country.

10 Q. I suppose anyone that has money can buy  
stock in any company any place in the world.

15

20

25

30

...the world's largest...

...entirely to the benefit of the English Company?

A. No, sir, to the investors of the English Company.

...but they are not the only ones...

stock held in this country. There are fairly

...in this country.

...in this country.

...I suppose anyone that has money can buy

stock in any company any place in the world.

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10063

Taylor

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Now, when you speak of the average price per denier that is again misleading because it is not fair to compare the average price per denier from one year to another, because there is such a variation in the den and for the denier -- variation in size ?

10

A. I think it is quite fair, Mr. McRuer. The prevailing custom in the manufacture of rayon yarns, and particularly so for the last seven years, has been to produce the finer deniers so that the average denier produced each year has become lower and as the denier becomes lower the cost becomes higher and the selling price is higher.

15

. What I am getting at is this; if you say that the average price per denier is 74 cents in 1927 ?

A. Yes.

. And in 1930 the average price is 80 cents?

A. Yes.

20

. That may mean anything at all because there may have been ten pounds of the more expensive sold in 1930 and that would bring the average price per denier away up? A. You have got to take into consideration the average denier produced was sold at the average price .

25

. I cannot see that the average price -- you may sell one pound at one dollar and that would bring your average price away up? A. No, no.

30

. While your five million pounds had been sold at 50 cents? A. We do not arrive at the average price like that.

10008  
Taylor

Now, when you speak of the average price per bushel  
that is again misleading because it is not fair to  
compare the average price per bushel from one year  
to another, because there is such a variation in the  
and for the bushel -- variation in size  
.. I think it is quite fair, Mr. McNair. The pro-  
ducing custom in the manufacture of rayon yarns, and  
particularly so for the last seven years, has been  
to produce the finer deniers so that the average  
denier produced each year has become lower and as  
the denier becomes lower the cost becomes higher and  
the selling price is higher.

.. What I am getting at is this; if you say the  
the average price per bushel is 74 cents in 1927?

.. Yes.  
.. And in 1930 the average price is 90 cents?  
.. Yes.

.. That may mean anything at all because the two  
may have been ten pounds of the more expensive sold  
in 1930 and it would bring the average price per  
bushel away now. A. You have got to take into con-  
sideration the average denier produced was sold at  
the average price.

.. I think you are right and that is why I said  
may sell one pound at one dollar and that would bring  
your average price away up. A. No, no.  
.. While your five million pounds had been  
sold at 50 cents? A. We do not arrive at the average  
price like that.



Q. How do you arrive at the average price?

A. We take the total poundage sold in any period, and the value for which it was sold, and that is how we arrive at the average price. Then we take the weights of the various deniers.

BY THE COMMISSIONER: Q. Regardless of the denier?

A. Yes; then we set off against that the average denier produced.

BY MR. McRUER: Q. That cannot make a sound basis of comparison? A. Why not?

Q. If one year the average denier is 156 and another year it is 134? A. Yes.

Q. Well, if you compare the year in which it is 156 and the year in which it is 134, if there had been no change in price in the meantime, the average return in the year in which it was 134 would be higher than it was when it was 154 or 164? A. Well, I have to deal with averages.

Q. You are very much better to take a staple type such as 150 denier and compare from one year to another what the 150 denier sold for? A. You cannot do that when you are getting your production costs out.

Q. Well, I haven't much faith in production costs anyway. They are still more deceiving than averages. Now, the next is a letter dated the 27th of November, 1930, from Courtaulds to Mr. Williams of the Customs Department.

THE COMMISSIONER: The date?

MR. McRUER: The 27th of November, 1930.

THE COMMISSIONER: That is part of the same file

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Taylor

Q. How do you arrive at the average price?

the value for which it was sold, and that is how we arrive at the average price. Then we take the weights of the various deniers.

BY THE COMMISSIONER: 4. Deniers or the denier?  
A. Yes; then we set off against that the average denier produced.

BY MR. BRADIE: 4. That cannot make a sound basis of comparison?  
A. Why not?

Q. If one year the average denier is 155 and another year it is 154?  
A. Yes.

Q. Well, if you compare the year in which it is 155 and the year in which it is 154, it there had been no change in price in the meantime, the average return in the year in which it was 154 would be higher than it was when it was 154 or 155?  
A. Well,

I have to deal with averages.

Q. You are very much better to take a staple than such as 150 denier and compare from one year to another what the 150 denier sold for?  
A. You cannot do that when you are getting your production costs out.

Q. Well, I haven't much faith in production costs anyway. They are still more deceiving than averages. Now, the next is a letter dated the 27th of November, 1930, from the Customs to Mr. Williams of the Customs Department.

THE COMMISSIONER: The letter  
MR. BRADIE: The 27th of November, 1930.



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Taylor

MR. McRUER: Yes, my lord.

THE COMMISSIONER: A letter from whom?

MR. McRUER: From Courtaulds to Mr. Williams.

THE COMMISSIONER: The Customs Revenue Depart-

5 ment.

MR. McRUER: Yes, my lord.

"Dear Mr. Williams:

10 "You will recollect when the writer last  
saw you, you asked him to submit to you our  
recommendations with regard to item 558d of  
the Tariff Schedule which has particular ref-  
erence to thrown yarn. It is admitted that  
when the writer was in Ottawa with regard to  
item 553b, which has reference to singles,  
15 the question was put to the writer as to  
whether he thought any action should be taken  
with regard to thrown yarn. Frankly, owing  
to the fact that this type of yarn had not  
been shown separately on the importation  
20 figures, we were of the opinion that the  
amount imported was negligible. However, we  
have since learned that substantial amounts  
are importee and, of course, on the old  
duty figures this importation has had an  
adverse effect on local throwsters. There-  
fore, we have to submit for your consider-  
ation the fact that it is our considered  
opinion that item 558d should read:

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British Preferential	27½ and 30 cents per lb.
"Intermediate	35% and 40 cents per lb.

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Taylor

General 35% and 40 cents per lb.

5 "We also respectfully submit for your  
consideration that even with item 558b we have  
noticed that under this item singles can be  
and are imported in the form of crepe twist.  
This crepe twist yarn is rightly described as  
singles but contains a very high twist, any-  
thing between 50 and 60 turns per inch,  
10 whereas normal singles contain between two  
and three turns per inch. We therefore submit  
to you that yarn should not come in under the  
heading of singles unless it contains a  
twist of not more than 7 turns per inch, be-  
15 cause any twist above this figure, no matter  
what type of spinning, must necessitate a  
second twisting operation and this of itself  
makes the yarn almost exactly similar to  
that imported under 558d. We therefore  
20 contend that singles containing more than  
7 turns per inch might be considered as being  
imported under 558d. "

25 Of course, what you are doing there was plugging up  
one or two holes that had been left after the special  
session of 1930 ? A. That is correct.

MR. McRUER: This doctor is here, my lord, and  
I might just call him now.

THE COMMISSIONER: Yes, very well.

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General 325 and 40 counts per lb.

General

considered that even with 1 lb. 325 we be  
noticed that under this the singles can be  
and the imported is the form of rope twist.  
This is the fact yarn is slightly decreased as  
singles but contains a very high twist, any-  
thing between 30 and 40 turns per inch,  
and three turns per inch. The difference between  
so you can't tell when it is under the  
heading of singles unless it contains a  
twist of not more than 7 turns per inch, be-  
cause any twist above this is not a  
second twisting operation and this of itself  
makes the yarn almost exactly similar to  
that imported under 325. The difference  
7 turns per inch might be considered as being  
improved upon.  
of course, what you are doing there was figured up  
of two halves that had been lost after the second  
session of 1930. That is correct.  
Mr. Broun: This session is 1930. My lord, and  
I might just call him in.  
The Government: Yes, very well.



DR. HAROLD MACK sworn

EXAMINED BY MR. McRUER: Q. Dr. Mack you are in  
a position practicing in Cornwall? A. I am.

5 Q. And you have some duties in respect to the  
Cornwall plant? A. Of Courtaulds?

. Yes? A. I have, yes.

. What are your duties there? A. I have  
been doing their medical work and accident work since  
10 the mill opened.

Q. Do you go there every day, or just when you  
are called, or what are your arrangements? A. No,  
I have been going on call.

15 Q. Have you had occasion to examine em-  
ployees who claimed to be suffering from sore eyes?  
A. Occasionally.

How would you come to be required to examine  
them? A. The men complaining of sore eyes?

20 Q. Yes? A. Would be sent to my office,  
usually, by the nurse, or if they complain to their  
departmental head they are then sent up to the office  
for examination and treatment.

Q. And can you tell us what the condition of the  
25 eyes were when you examined them? A. The condition  
occasionally found is one of acute congestion.

Q. What do you mean by that? A. Well, redness,  
inflammation, and watering of the eyes.

30 Q. Now, the employees suggest it is aggra-  
vated or caused by the fumes of the sulphuric acid;  
would fumes of sulphuric acid cause the condition

INTERVIEWED BY MR. KENNEDY: A. Dr. Mack you are in

a position practicing in Ontario? A. I am.

Q. And you have some duties in respect to the

Coroner's plant? A. Of course.

Q. Yes? A. I have, yes.

Q. What are your duties there? A. I have

been doing their medical work and accident work since

the mill opened.

Q. Do you go there every day, or just when you

are called, or what are your arrangements? A. No,

I have been going on call.

Q. Have you had occasion to examine em-

ployees who claimed to be suffering from some special

ailment? A. Occasionally.

Q. How would you come to be required to examine

them? A. The men complaining of some ailment

Q. Yes? A. Would be sent to my office,

usually by the doctor, or if they might be sent

directly by the doctor they are then sent up to the office

for examination and treatment.

Q. And can you tell us what the condition of

eyes were when you examined them? A. The condition

usually found is one of acute congestion.

Q. What do you mean by that? A. Well, redness

inflammation, and watering of the eyes.

Q. Now, the employees as yet it is argued

that as caused by the fumes of the sulphuric acid;

that fumes of sulphuric acid cause the condition



that you saw? A. They might.

Q. It is such a thing as could come from that?

A. Quite.

5 Q. I suppose coming from employees who are working in these fumes from time to time, and not being noticed in employees who do not work where the fumes are, one would rather conclude it was the fumes that were causing it. That would be a fair conclusion to come to? A. Well, the cases we have, so far as my  
10 knowledge goes is with men in the spinning room.

Q. In the spinning room? A. Yes.

Q. As far as your knowledge goes, they all came from the same place? A. As far as I know, yes.

15 Q. Now, the nurse suggested that the condition might be aggravated by them rubbing their eyes when they became inflamed; you would agree with that?

A. I do.

20 Q. Now, if they were handling the skeins that have been dipped in acid and that sort of thing, would that be liable to aggravate it, their having acid on their hands, if they rubbed the eye? A. No, I believe, sir, the chief complaint as to the trouble is that it is in the actual spinning process. We  
25 have had very little of it, at least, very rarely lately.

THE COMMISSIONER: One man who complained to-day was a doffer, wasn't he?

30 BY MR. McRUER: Q. Well, he takes the skeins off the cake, takes the cake off the machine; do you know the process there? A. I am not intimately

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.

Q. Now, if they were handling the skins

A. I do.



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Mack

familiar with it, no.

Q. Then, you have not conducted any investigation to the chairman just exactly what it is that is causing this? A. No.

Q. Have Courtaulds not asked you to inquire into it and investigate it, especially when the complaints arose during the strike? A. No.

Q. It was a matter that was in the papers, considerable complaint, and I believe a doctor from the Department of Labour came down; did he see you? A. I don't know anything about it, sir, I was not familiar with it.

Q. Well, you did not see the doctor from the Department of Labour? A. No.

THE COMMISSIONER: Pardon me, was this one of the matters brought forward in the strike?

MR. McRUER: Oh yes, at least, I saw it in the papers myself that the employees were complaining. Did you not see it or hear of it during the strike that it was one of the matters the employees were complaining about? A. I read it in the paper, yes.

Q. Well, doctor, what can be done about it. You are a medical man and I am quite sure you want to see if the employees are suffering in that regard -- you want to see it corrected; what is your suggestion?

A. Well, the complaint that was made, Mr. McRuer, as far as I read in the papers, it apparently was a constant affair with which I do not agree judging from the very occasional patient that I have had in the past few years with sore eyes.

Week

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familiar with it, no.

Then, you have not contacted any in-

vestigation to the chairman just exactly what it is

that is causing this? A. No.

Have Comptroller not asked you to look

into it and investigate it, especially when the

complaints arose during the strike? A. No.

It was a matter that was in the papers,

considerable complaint, and I believe a doctor from

the Department of Labour came down; did he see you?

A. I don't know anything about it, sir, I was not

familiar with it.

Well, you did not see the doctor from the

Department of Labour? A. No.

THE COMMISSIONER: I am sorry, was this one of

the matters brought forward in the strike?

MR. MORRIS: Oh yes, at least, I saw it in the

papers.

Did you not see it or hear of it during the strike

that it was one of the matters the employees were

complaining about? A. I read it in the paper, yes.

Well, doctor, what can be done about it? You

are a medical man and I am quite sure you want to see

if the employees are suffering in that regard -- you

want to see it corrected; what is your suggestion?

Well, I think the first thing to do is to

as far as I read in the papers, I think it was a

constant affair with which I do not agree judging

from the very occasional mention that I have had in

the past few years with some cases.



Q. Apparently they have not all been referred to you because the nurse does not quite put it that way. There apparently were a great many when they were changing the fume pipe ? A. Yes.

5

Q. At that time? A. At that time.

Q. But, if it is recurring, and it seems to be a painful thing, have you any suggestions as to how it can be corrected ? They say it is worse in some types of weather than others. One can readily admit that sometimes employees will put up with quite a bit rather than lose time off and so on. Have you any suggestions as a medical man and the medical advisor to the plant as to how this can be corrected?

10

A. Merely at that time the fault was possibly due to faulty ventilation.

15

Q. Has that been corrected since the strike ?

A. I believe this was; it was corrected a year ago when the new fume stack was repaired.

20

Q. When the new fume stack was put up?

A. Yes.

Q. You don't know whether there have been any changes made since the strike? A. I don't know.

25

Q. Well now, is sulphuric acid, the fumes from sulphuric acid, the gas, one that would rise in light air, or rather the other way about, rise in heavy air, and when the air is lighter, that is, has more moisture in it, would the fumes lie around a while ? A. It is more likely to be concentrated where the humidity is high.

30

Q. That is what they complain of, when the

... apparently they have not all been referred  
to you because the nurse does not write that  
... were changing the lines also? A. Yes.

... at that time? A. At that time.  
... But, if it is recognized, and it seems to  
be a painful thing, have you any suggestions as to  
how it can be corrected? They say it is worse in  
some types of weather than others. One can readily  
admit that sometimes employees will get up with quite  
a bit more than loose time off and so on. Have you  
any suggestions as a medical man and the medical  
adviser to the plant as to how this can be corrected?

... Merely at that time the fault was possibly due  
to faulty ventilation.

... Was that been corrected since the strike?  
... I believe this was; it was corrected a year ago.

... When the new time clock was put up.  
... Yes.

... You don't know whether there have been any  
... Well now, is sulphuric acid, the fumes from  
sulphuric acid, the gas, one that would rise in

light air, or rather the other way about, rise in  
heavy air, and was the air in the room, was it  
has more moisture in it, would the fumes lie around  
a while? ... It is more likely to be concentrated  
where the humidity is high.

... That is what they complain of, when the



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Mack

atmosphere is rather heavy it seems to bother them worse. Now, is there any way to get around that?

A. Not as far as I know.

5 Q. However, you have never been consulted about it so it is probably not very fair to ask you for a remedy in the witness box.

THE COMMISSIONER: What about that witness this morning who was nearly blind? Don't you know him?

10 BY MR. McRUER: Q. There was a gentleman -- what was his name -- Heard, gave evidence this morning that he had had a great deal of trouble with his eyes. He left there in 1932. Has he come under your attention at all? A. I cannot recall him from memory, Mr. McRuer.

15 Q. He does not say he ever saw you in connection with it.

20 BY THE COMMISSIONER: Q. No, but I think the doctor could not help but recall him if he did see him because the man appears to be nearly blind. You have to lead him around? A. I don't recall him at all.

25 BY MR. McRUER: Q. He does not say he told his own doctor he had trouble with the acid fumes at all. At any rate, you don't remember? A. I don't know.

30 BY THE COMMISSIONER: Q. Might this ailment lead to blindness, a permanent injury to the eye? A. I am told not, sir. We have an eye specialist in Cornwall. I have had several occasional eye injuries in which I referred the case to the eye

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atmosphere is rather heavy it seems to bother them  
worse. Now, is there any way to get around that?  
Not as far as I know.

However, you have never been consulted about  
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remedy in the witness box.

THE COMMISSIONER: What about that witness this  
morning who was nearly blind? Did you know him?  
BY MR. McHUGH: A. There was a gentleman --  
what was his name -- Howard, have you heard this  
morning that he had had a great deal of trouble with  
his eyes. He left there in 1932. Was he come under  
your attention at all? A. I cannot recall him from  
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.. He does not say he ever saw you in connection  
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BY THE COMMISSIONER: Q. What time did you  
.. I am told not, sir. We have an eye specialist

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specialist, and he has seen himself a few cases where the men have gone to him straight away without coming to the company doctor. So far as he is able to tell me there has been no permanent injury.

5 BY MR. McRUER: Q. Just let us hear about that, then; apparently men have had cases where they have gone to a specialist directly?

THE COMMISSIONER: Here.

10 BY MR. McRUER: Q. In Cornwall, without consulting you? A. That is right.

Q. You have had occasion to discuss this then with the specialists? A. That is Dr. Crewson, yes.

15 Q. What has he to say about it? A. Well, that is all he said about it. It is an acute inflammation with burning, irritation and watering of the eyes which last two or three days. There is no permanent injury as far as he has been able to discover in the cases he has seen.

20 Q. Now, would some eyes be more susceptible to this than others? A. Yes.

Q. And it might happen if one had bad eyes it would be a thing that would give him more pain and more trouble than one whose eyes were good? A. Yes.

25 . Well then, might it aggravate some other condition that existed in the eye? A. He assures me not. It is purely a superficial irritation.

30 . Well, a superficial irritation to the eye is a rather nasty thing? A. Yes, but not necessarily serious.

Q. Now, have you examined any of the employees.

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the men have gone to him straight away without coming  
to the company doctor. So far as he is able to tell  
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BY MR. MORRIS: Q. Just let me hear about that,  
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THE COMMISSIONER: Here.

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with the specialists? A. That is Dr. Grewson, yes.  
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this than others? A. Yes.

A. And it might happen if one had bad eyes it  
would be a thing that would give him more pain and  
more trouble than one whose eyes were good? A. Yes.  
Q. Well, what is it that is irritating about this  
dust that existed in the eye? A. He assumes no  
not. It is purely a superficial irritation.

A. Well, a superficial irritation to the eye  
is a thing that is not serious, but it is irritating.  
Q. Now, have you examined any of the employees.



for this eczema on the hands ? A. I have seen several

5 Q. What is it, what is the cause of it? A. That  
is in the nature of a dermatitis, and occupational  
dermatitis occasionally seen not only in Courtaulds  
but in other plants where they hands are exposed to  
acid or caustic, developing a dryness and cracking  
of the skin.

Q. Is it painful ? A. It is more itching and  
irritable.

10 Q. What can be done about that? A. Usually in  
the cases I have recommended that they be taken off  
that particular form of work, treated medically, that  
is, with ointment, removed from that form of work and  
then tried again. If a man shows a recurrence of thi  
15 we have recommended removal to some other part of the  
plant.

Q. Some men are more susceptible to that than  
others? A. Yes.

20 Q. All right. Thanks, doctor.

MR. DIXON: No questions.

THE COMMISSIONER: All right, we will adjourn  
until 10 o'clock tomorrow morning.

25 --The Commission adjourned at 5:05 p.m. to resume  
at 10 o'clock a.m. Thursday, October 22nd, 1936.



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A. Some men are more susceptible to that than

others? A. Yes.

A. All right, thank you, doctor.

MR. DIXON: No questions. It now remains for us to

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until 10 o'clock tomorrow morning.

--The Commission adjourned at 5:05 p.m. to resume  
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